

The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, JUNE 12, 1931



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Left: Home of the Chicago Daily News. One of the city's evening newspapers. Chicago is fortunate in her newspapers. Each of them is doing a constructive job and merits the respect and confidence of its readers. . .



Historic Fort Dearborn rebuilt for Chicago's 1933 World's Fair. . .



The Chicago Evening Post Building. On Wacker Drive facing the river.



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WHAT makes the wheels go 'round? It takes more than mere population to keep a city on the forward march. Chicago with her young ideas and modern outlook retains that priceless civic spirit and home-town pride which is a relic of earlier days. Chicago eagerly pushes forward, sustained by a loyal citizenry and a militant press, both alive to the needs and problems of a growing community. Thus guided, Chicago moves toward her goal. A city facing a golden future. Chicagoans do well to hold faith in Chicago. . . .

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ILLINOIS LIFE BUILDING CHICAGO 1212 LAKE SHORE DRIVE

Raymond W. Stevens, *President*

CHICAGO

A Good Place to Live

A Good Place to Work

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Fifth Year No. 24

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JUNE 12, 1931

\$3.00 Per Year, 15 Cents a Copy

Program Is Given for Life Meeting

Partial List of Speakers at Pittsburgh Convention of National Association

HAVE GALAXY OF TALENT

Elaborate Plans Also Are Made for Entertainment—Patterson to Preside Over Managers' Section

NEW YORK, June 11.—Chairman J. W. Yates of the program committee of the Pittsburgh convention of the National Association of Life Underwriters, announces a partial list of speakers for the convention, which opens Sept. 23.

The list includes Dr. S. S. Huebner, professor of insurance at the University of Pennsylvania; Abner Thorp, Jr., editor and manager Diamond Life Bulletins; A. E. N. Gray, assistant secretary Prudential; L. G. Simon and Vash Young, both of the Equitable Life of New York.

Some of the Speakers

Others are: Charles Frisbie, of the Seattle agency New England Mutual; W. W. Irwin, University of Kansas; Louis Roth, Buffalo agency Mutual Benefit; H. W. Abbott, Pittsburgh agency, Massachusetts Mutual, and R. B. Hull, managing director National association.

A playlet, "What Price Policy Loans?" will be given by representatives of the Pilot Life.

Alexander E. Patterson, general agent Penn Mutual at Chicago, will act as chairman of the managers' session, which will take place Sept. 22, the day before the opening of the general sessions. J. M. Holcombe, Jr., manager Life Insurance Sales Research Bureau, will cooperate in this and is expected to contribute largely to the success of the session.

Reception for the Lackeys

There will be a reception the evening of the first day, Wednesday, in honor of President and Mrs. G. E. Lackey. This will be followed by a dance. There will be special decorations and musical features.

The banquet will be Thursday evening. Speakers will be announced later. For the entertainment of the visiting ladies Thursday the Pittsburgh program committee has arranged a sightseeing trip which will include the Heinz factory, where the visitors will have an opportunity of sampling some of the 57 varieties. Those who do not want to go on this trip will be welcomed at an informal bridge party at convention headquarters, the William Penn hotel.

The previous day there will be an open house at the Women's City Club,

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Problems Most Difficult

Life Insurance Companies Are Confronted with Many Questions of a Far Reaching and Serious Nature That Will Call for Leadership

NEW YORK, June 11.—In no time in the last 30 or 35 years have the officials of life insurance companies been confronted with so many difficult and far-reaching problems. In fact, as some executives point out, the next four or five years will be the greatest testing time through which life insurance has passed. The weaknesses that are at all fundamental will appear. A company well managed, firmly entrenched, that has not been riding the whirlwind need have no fear. Those companies that have been taking chances and running wild in any respect will be badly shaken, although legal reserve life insurance will emerge triumphant. An individual institution that is not well ballasted may have to run to shelter and be taken over by a well-managed company. There must be readjustment. There will have to be some shifting about to meet changed conditions.

Abnormal Production Era

Take for example the abnormal production record of a few years ago. It was like any other big boom. It is unfortunate that so much new life insurance was written and so easily. It spoiled agents in the field and home offices. The effect on life insurance was very much the same as the farm boom has had on the agricultural regions or the Florida land boom on business of that state. It put life insurance on an abnormal basis. Production departments therefore geared themselves up for this vast new business and planned with the thought in mind that the great increases would continue.

Mortality Ratio Went Down

During this heyday period with such a large amount of new business, the mortality ratio sharply declined. Profits from that source were greatly increased. Business of all kinds was going strong, money commanded a good price, one could invest in almost anything and up would go the market value. Therefore the profits both from mortality and investments ran high. Thousands of new men were put into the field and life insurance was written without great effort. The mutual companies increased their dividends to policyholders and the non-participating companies put out new low rate policies. There was a strong demand for a new mortality table because of the supposed large profits.

Loaded Up With Farm Mortgages

The first grand crash was the farm deflation when many companies investing in farm mortgages found themselves loaded with farms on their hands that they had to foreclose. This put a crimp in a number of companies. They had been getting high interest rates on these mortgages. Values shrank tremendously. The companies are still holding these farms. They are nursing them along hoping in time to dispose of them at a fair value.

Then came the slowing down in production. Life insurance was harder to

write. Companies in order to keep up their record strained a number of points and became more liberal in their selection. The production line which had gone sharply upward from the median now began to fall. The mortality line which ran far below the median in the palmy days now came up toward the median as the mortality ratio increased. Companies realized much less in the way of profit from mortality savings.

The stock market collapse with its far-reaching effects brought about many suicides and an increased mortality from natural causes but accelerated due to the terrific strain to which men were placed. During the boom period, men of the promotional type, those taking perhaps large chances, but who were expecting to reap a great harvest, bought large amounts of insurance for business and personal purposes. The mortality on this class has caused the companies great concern. In many cases there has been a sharp retrenchment and the tightening up of underwriting but the damage has been done.

Disability Deficit Put at \$20,000,000

The disability situation has caused great havoc. Last year the disability deficit is put at \$20,000,000. During the great time of production companies became liberal with their disability clauses. As fast as they liberalized the provisions, they made them retroactive. In numerous cases rates were inadequate for the hazard covered. There was no careful check up on the underwriting. Companies were plowing through unknown seas which were not charted. They were in the same position as those who were writing non-cancellable accident and health cover with totally inadequate rates. Potential liability was stored up and when released it shook the foundations.

Companies therefore are confronted with danger, some of which has materialized and some of which has not. The

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Insurance Over \$500,000, Personal Estate \$5,743

James McCluney, investment broker of St. Louis, who shot and killed himself at his home March 8, left a personal estate of but \$5,743, according to the inventory of the estate filed with the St. Louis probate court, although he was carrying \$300,540 in straight life insurance, \$77,500 of additional life insurance with double indemnity clauses and \$85,000 of straight accident insurance. If his death is accepted as an accident and all his insurance paid on that basis the beneficiaries could collect \$540,040. Missouri courts have held that suicide while insane is an accident.

Actuaries Tackle Today's Big Issues

Investment Trend, Rewriting Own Business, Suicides Cause Spirited Discussion

J. F. LITTLE REELECTED

Entertainment Exceptional at the Annual Gathering of American Institute in Minneapolis

OFFICERS ELECTED

President—James F. Little, second vice-president and associate actuary, Prudential.

Vice-presidents—R. C. McCankle, associate actuary, Equitable of Iowa; R. A. Hohaus, assistant actuary, Metropolitan. Secretary—E. G. Fassel, Northwestern Mutual Life.

Treasurer—W. M. Johnson, vice-president and actuary, Central Life of Illinois.

Librarian—H. W. Curjel, actuary, Illinois Life.

Keeper of the Records—James Elston, assistant actuary, Travelers.

Board of Governors—Frank Kineke, assistant actuary, Prudential; W. P. Coler, secretary, American Life Convention; T. A. Phillips, president, Minnesota Mutual.

By LEVERING CARTWRIGHT

The informal discussion period during the annual meeting of the American Institute of Actuaries in Minneapolis produced much weighted criticism and comment on several of the many important issues confronting the business in the depression period.

The meeting started off in surprising fashion with James F. Little devoting his presidential address to the problem of agriculture and general business without touching on life insurance. His remarks were interesting and many of the actuaries acclaimed his departure from precedent as being a step in the proper direction of actuaries devoting their talent to interests beyond those associated with the pay check.

Taste of Pure Mathematics

There followed a discussion of the formal papers presented at the semi-annual meeting of the institute at Springfield, Ill. Then Professor J. F. Reilly introduced a taste of pure mathematics in a summary of his paper on "Osculatory versus Non-Osculatory Interpolation—a comparison by means of remainder terms." After a discussion of pension systems, centering about a paper by R. B. Robbins, who is just leaving the Union Labor Life to join the Teachers Insurance & Annuity, the institute plunged into matters of popular and immediate concern to life insurance. Others who participated in the pension discussion were H. R. Corbett, consulting actuary of Chicago; H. L. Reitz, University of Iowa professor; R. A. Hohaus, Metropolitan.

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Rewriting of Own Business Is Necessary Evil Today

MOST COMPANIES DOING IT

Actuaries Give Quasi-Approval to System, but Give Warning of Its Dangers

Although loath to come to that conclusion, most of the speakers at the annual meeting of the American Institute of Actuaries in Minneapolis, expressed the belief that some plan for rewriting their own policies, which are in jeopardy because of indebtedness, is advisable for the companies today.

Vice-President George Graham of the Central States Life declares the frantic efforts of some companies to salvage their business savors of twisting of their own business. The practice of allowing agents to rewrite any business that has indebtedness on it is most dangerous, he said. It is likely to ruin good business and spoil good agents.

The practice of the Central States, he reported, is when the day of grace expires, the agent nearest to the policyholder is notified and requested to get an interview with the person whose policy has lapsed. If this business is rewritten, the agent is allowed full first year commission. This is an exception to the usual rule of the Central States not to allow full first year commission on a policy which has expired within six months.

W. H. Harrison, Bankers Reserve Life, said that when a policyholder comes to the realization that the interest on his policy loan plus the premium is too high for the protection involved, someone is going to rewrite that business. The question is to be on the spot when the policyholder comes to that point of view. He said there are three methods by which a company may rewrite its own business. There is the direct home office method; the straight agency method and the method by which a special home office representative has charge of the task. If it is made to be an agency problem, he said that the field force is being educated in twisting and "coals are being carried to Newcastle."

The solution, according to Mr. Harrison, lies in tackling the problem during flush times as well as during depressions. Repayments of policy loans should be sought during flush times so that the situation would not be so acute when the depression strikes. Greater cooperation among the companies is needed and enforcement of rules by all companies in prosperous times. The problem of lapsation and policy loans, he said, will always be present as long as the business cycle exists. Attention should be paid to it during the whole swing of the cycle.

Mr. Benjamin, Metropolitan, reported the expedient his company has adopted. If the equity in a policy lapsed with heavy loans, is not enough to pay a quarterly premium, it may be rewritten less than one month after the expiration of grace with no medical examination; may be rewritten from one to three months after the expiration of grace with the Metropolitan reserving the right to require a medical examination. The agent is paid 10 percent of the commission on this rewritten business. Mr. Benjamin said that the system is not favored but that it is being carried on as an experiment.

Companies' Group Meets

The Association of Colorado Life Insurance Companies, recently organized to encourage Coloradans in buying insurance from home companies, held a luncheon Tuesday with W. H. Watlington, vice-president Colorado Life, presiding. R. D. Slagle, secretary Continental National, has been appointed secretary.

Japan Champ Challenges Big Producers of U. S.



IKUTARO NAKASONE

Not all of the big producers are domiciled in the United States. From Japan comes intelligence indicating that the big producer from the United States, who claims the world's record, without measuring his production against those in other countries will be challenged. Tsutomu Inada, assistant secretary Meiji Life of Tokyo, has written to THE NATIONAL UNDERWRITER about Ikutaro Nakasone and his new mark of a million a month. The enthusiasm, which Mr. Nakasone's record has aroused in Japan may best be appreciated from the letter written by Mr. Inada. Readers will be interested to see that Mr. Inada has so mastered English as to be able to write in the enthusiastic vein and talk the insurance language of agency men in this country.

Mr. Inada Comments

"Recently," Mr. Inada writes, "we had a big excitement in our insurance field. Ikutaro Nakasone—Babe Nakasone we call him—of the Meiji Life, Tokio, set a new mark of 'One million a month.'"

"He has paid for ordinary policy of one hundred averaging ten thousand each. (Meiji Life write and retains only one hundred fifty thousands for a policyholder.)"

"His record is one of the outstanding achievement in the field of life insurance business in Japan, of both amount and member of policy in one month."

"He has been with this company for nine years and has amount in force ten millions. He has retained his position as the president of '300,000 Club of Meiji Life' on 1931 again."

"He said that he wants to challenge with Mr. Charles P. Rogge of New York in the near future. 'Nothing but prospecting' is his method. He is an expert in applying the center of interest prospecting. Mr. Seiji Noma, well known King of journalism in Japan is his patron."

Gets a Directed Verdict

The Mutual Life of New York received a directed verdict in the Atlantic, Ia., district court in a suit brought by beneficiaries under policies totaling \$5,000 issued on the life of L. A. Range. He met with an accident before the policies had been delivered by the agent who withheld them upon learning of Range's condition. The court held that the policies did not go into effect because of the change in Range's health and the fact the first premium was not paid or tendered until after the accident which resulted in Range's death.

The Continental National Life of Denver has been admitted to Idaho.

Actuaries Compare Branch Offices, General Agencies

ULTIMATE COST IS THE SAME

Some Speakers Say Perfect System Will Be a Combination of Both Plans

In the final analysis, the cost of branch and general agency systems should not differ, according to O. W. Perrin, Penn Mutual, who participated in the discussion of the general agency vs. branch office during the annual meeting of the American Institute of Actuaries in Minneapolis.

The cost of a general agency is less to a company in the first year of its establishment than a branch office, but the cost is greater in future years, Mr. Perrin observed. The general agent starts with no profit himself and takes a considerable financial risk. The amount of compensation of a successful general agency in later years seems to be almost scandalous, he said, but it is only a fair reward because of the risk which was taken in earlier years.

Lack of Control

The lack of control, authority and supervision over the general agency on the part of the company is a disadvantage under the general agency system, he declared. Research by the Penn Mutual seems to indicate that general agencies writing from 6,000 to 12,000 new policies a year are the most efficient. The quality of management, of course, is imponderable. There is the question of expense of taking over a general agency on the death of the general agent.

Mr. Perrin remarked on the tendency to start a general agency on a branch office plan and later merge it into a general agency system. This eliminates the risk to the manager or general agent, but it is likely to make the system expensive at both ends for the company.

There is a feature to be considered that possibly a better type of permanent leadership is obtained under a general agency. If that is true there may be the higher cost of a general agency but the expense may be offset by the saving of getting a higher grade leader. The general agency, he said, is generally considered to be an American institution recognizing individual initiative. The perfect system, which would be a combination of the general agency and branch office system, according to Mr. Perrin has not been worked out.

George Graham's Contribution

George Graham, Central States Life, declared that the general agency system appeals to companies in the initial stages of development because this plan is least costly during that period. At least that was true with the old conception of a general agent as a man who gets the maximum contract, is given a rate book and goes out to make a living in a new territory. He is urged to produce as much as possible personally and by soliciting insurance to find agents. This system did not make for rapid building of a general agency but was an economic system from the viewpoint of the company. It was easy for the company to keep track of its cost.

Today, according to Mr. Graham, the general agency contract in addition to providing a maximum commission, contributes to office, clerical and traveling expenses and sometimes provides a salary. When a company gives a contract like that, Mr. Graham questions value to the company of giving the general agent the maximum commission. This is not far removed from the branch office system, he pointed out. In the process of the development of a company, the tendency is toward branch offices, he declared.

Collection of renewal premiums in (CONTINUED ON PAGE 21)

Klingman Sees Upturn in the Life Insurance Field

EQUITABLE HAD GOOD MONTH

Fine Increase Was Shown by Agents in May Over Similar Month in 1930

NEW YORK, June 11.—The Equitable Life of New York did a 15 percent greater business in May than in the same month of 1930 and exceeded by a substantial margin any previous month of the present year, according to an announcement by Vice-president W. W. Klingman to the field force. Paid business for May, 1931, was \$81,966,000, an increase of \$10,965,000 over May, 1930, and an increase of \$8,674,000 over the paid business of any month so far this year. Mr. Klingman regards this increase as a definite indication of an upturn in the life insurance business.

New Policy a Good Seller

About \$20,000,000 of the May business was on the new "economic adjustment policy." The reception accorded this new contract by agency force and the public is taken to demonstrate the flexibility of the new contract in meeting new economic conditions and shows the demand that exists for a policy with a low preliminary rate and automatic conversion options. What can be done by one individual is shown by the record of T. M. Riehle, associate manager of the Equitable here, who personally wrote more than \$1,000,000 on the new form.

Bankers Life of Iowa Has Warning Notice on Policies

Policyholders are advised to go direct to the company of the twister agent by the Bankers Life of Des Moines, in a message to its policyholders. The Bankers Life is printing this message on each of its policy jackets, and each policyholder is warned to beware of the twister.

The message is not only a warning, but a constructive statement of the attitude of American companies toward the twister agent.

The complete text of the message follows:

Policyholders Are Warned

"Any person who advises you to discontinue this policy in order to take another in some other company in its place is seeking his own profit at your expense. Insist that he put his proposal in writing so that you may submit it to the president of his own company. You will find that he will not be willing to do this because American life companies cooperate in protecting their policyholders from those who wish to profit at the policyholder's expense."

Moral: Flashing Money in Chicago's Dangerous

Very few prospects with cash get by Chicago life insurance men these days. Miss Agatha Spahn has just won first prize of \$1,000 in the "Tune Tangles" contest of the Chicago "Tribune."

Carl P. Spahn, her brother, agent with E. J. Faltyssek, general agent Equitable of Iowa, walked into the office the other day and announced that fact to his chief.

"And where's her application?" Mr. Faltyssek asked. So now Miss Spahn owns a \$1,000 one-year endowment in the Equitable.

Want Two-Year Suicide Clause

Most American Institute of Actuaries Speakers for Longer Contestable Period

OPINION DIFFERS WIDELY

Subject Brings Out Spirited Discussion at the Annual Session in Minneapolis

One of the most spirited discussions at the annual meeting of the American Institute of Actuaries in Minneapolis was on the question of suicide and the incontestable clause. Widely divergent views were expressed, but the majority opinion seemed to be that a two-year suicide clause and two-year contestable clause are preferable to the one-year clause.

P. H. Evans, vice-president Northwestern Mutual Life, threw something of a bomb into the discussion by the statement that if underwriting conditions are sound and the insurance is properly sold, a policyholder should have as much right to die by his own hand as by any natural cause. His theory is that there will always be a certain percentage of policies maturing by reason of suicide. At present, he said there is an abnormal number of suicides and much conversation about them, with much agitation for increasing the suicide exclusion period. Unless it can be demonstrated, he declared, that the company is being selected against by reason of the short suicide exclusion period, there is no reason to extend that period, except to save money. If the companies are acting for that reason he declared that they shouldn't pay suicide losses at all.

Northwestern Mutual's Record

Mr. Evans believes that the companies are not being selected against in the matter of suicide. During the last five-year period in the Northwestern Mutual he said that there were seven suicides each year during the first policy year, nine during the second, 11 during the third and others distributed pretty uniformly during the duration of the policies.

Although there has been an increase in suicide, Mr. Evans declared that there has not been a change in the distribution.

Mr. Evans observed that the development of the insurance business has been in the direction of eliminating restrictive features so that now there is a minimum in many companies of one-year contestable clause and one-year suicide. The danger of increasing restrictions, according to Mr. Evans, is that underwriting judgment and energy will be relaxed on the theory that the company is protected by the longer exclusion period. Underwriting may become more liberal and loose and the companies may deprive themselves of the benefits expected if they change from a one-year to a two-year basis. The Northwestern Mutual is retaining its one-year clauses.

Increase Contestable Clause

If there is to be any change, Mr. Evans favors an increase in the contestable clause while retaining the one-year suicide clause. For those companies writing income disability, Mr. Evans said there might be some justification for increasing the contestable period.

H. W. Buttolph, secretary and actuary American Central, took issue with Mr. Evans on the fundamental right of a policyholder to mature his insurance

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Eastern Men In Mood To Reform Disability Item

NEW YORK, June 11.—The absorbing issue in the east today is disability. The majority of executives are seriously alarmed. The fact that a change must come in disability writing is pretty generally recognized, but there is no unanimity as to just what form the change should take and whether it should be instituted individually or concertedly.

Each company fears to take the initial step in introducing a radical change or eliminating the income disability provision on the theory that its new business would be affected, although some companies are weighing the advisability of sacrificing a certain amount of new business in favor of conserving surplus.

Drastic Modification Likely

Although there is much sentiment in favor of eliminating the income disability feature altogether, it is not likely that the amputation will be accomplished immediately. A drastic modification is more likely. Under one of the most drastic modification proposals, disability would be sold only in connection with endowment policies. Furthermore the disability benefits would be reduced to \$5 and there would be an effort to get an agreement among the companies that one person should not obtain a total of more than \$500 monthly disability benefits. A danger is seen in this plan even by its advocates. That is that the rates would be so high and such comparatively large outlay would be necessary in order to get a substantial monthly income that selection against the company would be likely in many cases.

Tying up disability only with endowment policies would, it is felt, be a safeguard, however. As the endowment approaches maturity, there would be less temptation on the part of the assured to seek unjustified disability benefits. Proceeds would be coming to him through a natural process.

Disability Stressed Too Much

Executives feel that disability has been improperly stressed by the field force. The crop of business that was written before the rates were raised last year is especially bad from this point of view. The disability provision was so emphasized that many assureds were led to believe that they were purchasing something of a pension. Being so closely associated with a life insurance contract, which has real investment value, disability, as it has been sold, is held by many owners to be much the same kind of contract.

The disability situation is held by some executives to be one of the more serious consequences of the craze for volume, which beset the companies in recent years. Companies reached for every opportunity to make a large increase in production each year since the war. They were not satisfied with the growth which the sale of pure life insurance would produce. They found, in disability, a new field, wherewith to register a handsome gain, and encouraged the field forces to use it as a "selling argument." It is recalled that some of the companies, which are now most alarmed about the disability situation, last year were at least winking at the sales energy of their agents in placing as much disability as possible before the old rates were introduced.

REACTION IN HARTFORD

HARTFORD, June 11.—Life companies are watching with grave concern the disability situation which becomes more and more serious from an underwriting standpoint with each passing week. Permanent and total disability losses continue to be increasingly heavy among both regular life and group com-

panies. It has been pointed out that for the past few years the great majority of companies were losing money but it was thought that this matter would right itself when a number of the leading companies worked out a new series of schedules and raised the rates last July. This has not been true, however.

The whole situation may be divided into three schools. The first group of companies would abolish total and permanent disability clauses entirely from all policies. The second school is willing to keep it for another five or ten years and from the experience accumulated decide whether to keep it or give it up. School number three seems more or less satisfied with the present rates and is willing to let things go on as they are. Even the latter group admit, however, that their experience is not satisfactory but they believe that with careful underwriting the disability situation will right itself when present abnormal conditions are at an end.

Shyster Lawyer Evil

Many causes are given for the present state of affairs. The depression has naturally made itself felt. The shyster lawyer has become more familiar with the workings of the courts along these lines and has had his finger in the pie. Then too, the average person has become better acquainted with insurance in general and has been putting in claims for disability where a few years ago they would have been overlooked. And, of course, companies are paying written some time ago under the old claims on many of the older policies system of rating. Unlike other forms of insurance life policies with these disability clauses are iron-clad in their provisions and although the benefits are very liberal and the rates too low, when once the company accepts such a risk it is on to stay, as far as its own option is concerned.

It was in January, 1926, that officials of the Aetna Life saw the handwriting on the wall and raised its rates. Other companies followed until July, 1930, when practically all went on a uniform plan of rates and schedules. The Aetna's experience has been unusually good

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Trouble Ahead In City Loan Field

Actuaries See This Feature as Most Disturbing Prospect

INTEREST RATE DISCUSSED

Various Factors Point to Smaller Income From Investments, Minneapolis Speakers Agree

The trend of interest rates on life insurance investments is downward, speakers at the annual meeting of the American Institute of Actuaries in Minneapolis agreed.

W. M. Strong of the Mutual Life of New York, president of the Actuarial Society of America, said the return on reinvestment of funds from mortgages and other securities paid off and issues called and refunded, is lower than on the retired securities. The interest rate on mortgages has decreased and where one mortgage is replaced by another, a lower interest rate is taken.

Incidental Factors

He pointed out that one factor somewhat altered the situation for New York companies, inasmuch as the New York investment law was liberalized some time ago, allowing insurance companies to invest in debentures, guaranteed and preferred stock. That meant that companies could broaden their investment field and replace mortgages with preferred stock and get a higher rate of interest. Another factor to take into consideration is that, under a recent tax decision, municipalities are exempt from tax and consequently give greater return than their face would indicate.

As to the future, Mr. Strong declared that recovery from the depression should help the interest rate somewhat. What people hope for and expect influences what they are willing to pay for the use of money.

(CONTINUED ON PAGE 11)

Death of President Wing

Asa S. Wing, for 25 years president of the Provident Mutual, died at his summer home at Sandwich, Mass., last week at the age of 81. He started his insurance career when he was 17 years of age with the old Provident Life & Trust. In 1874 he was made assistant actuary and then became vice-president. At that time the Provident had \$30,000,000 insurance in force. It now has more than a billion. He was chairman of the board of managers of Haverford college, treasurer and trustee of Bryn Mawr College, director of the Provident Trust Company, Frankford & Southwark Bank and Philadelphia National Bank. He was a charter member of the Actuarial Society of America. Mr. Wing had been in poor health for some time. He lived at Moorestown, N. J., and was taken to Sandwich in an ambulance two or three days before his death. The funeral was held Monday at his ancestral home in Sandwich. The Association of Life Insurance Presidents was represented by President Law, Penn Mutual; Secretary R. H. Davenport, Berkshire Life; G. W. Smith, New England Mutual, and General Counsel V. P. Whitsitt of the presidents' organization.



ASA S. WING

Pass Book People Turn to Insurance

Reduction of Interest by Savings
Banks Stimulated Sale of
Insurance

INVESTMENT BIG FEATURE

Ratio of Premiums to Volume Is
Higher, Indicating Day of Cheap
Policies Passing

NEW YORK, June 11.—Reports from a number of companies of an increase in the ratio of premiums to volume issued indicate a growing appreciation of life insurance as an investment. Some of this increase may be accounted for by the rapid rise in the sale of family income policies, which are more expensive than ordinary life policies for the same face amount.

Reductions of interest rates by savings banks and curtailment of amounts accepted are seen as a stimulus to the sale of life insurance to those who would ordinarily invest in this channel, as is the fact that life insurance has been gaining in public favor on account of undisputed security, while bank failures have aroused a questioning attitude about banks, which were formerly regarded as the last word in safety.

Reduction Explained

While the reductions which savings banks have made in their interest rates are directly caused by a large influx of deposits from corporations and wealthy individuals looking for security and a good interest return, yet the small investor, who has been making his deposits there right along, suffers the same percentage of reduction on his deposits.

The reason for the curtailment of interest rates and deposits is the probability that the recent large depositors will withdraw their money as suddenly as they deposited it when the expected upturn in business arrives.

This necessitates the banks investing in government bonds and other highly liquid securities, which, however, yield considerably less than the banks have been paying their depositors.

The situation is one which seems likely to grow more pronounced, as banks feel the necessity of falling in line with those who have cut deposits and interest rates, and may logically be expected to do much toward bringing life insurance into greater popularity as an investment.

Guhne Is General Agent of State Mutual in St. Louis

Karl J. Guhne has been appointed general agent in St. Louis for the State Mutual Life. He started with the Home Life in St. Louis in 1913 and later became general agent for that company. He is the originator of the Guhne Service and for several years has been devoting his attention to agency service and educational work. He succeeds J. J. Kelly, who was general agent there for a number of years and has resigned.

E. W. Woodbury, in life insurance work in St. Louis for several years, becomes agency supervisor under Mr. Guhne; E. W. France, recently with the Chase National Bank of New York, manager estate planning department, and J. E. Bardwell, manager audit department Guhne Service.

Life Insurance Exemption Case Given Interpretation

The following article on the significance of a decision rendered by the New York supreme court, appellate term, defining section 55a of New York insurance law, was prepared especially for THE NATIONAL UNDERWRITER by Albert Hirst, counsel of the New York State Life Underwriters association since 1926. Mr. Hirst is a former life insurance man, having been an agent in New York of the Mutual Benefit Life. Ill health forced him to adopt a less active occupation and he resumed his study of law where he had dropped it before going into insurance.

As counsel for the state association he was instrumental in obtaining the enactment of Section 55a of the New York insurance law. Mr. Hirst explains the importance of this decision to life insurance men not only in New York but in other states.

Hirst Gives Interpretation of New York Court's Ruling

"I have been asked to explain more fully the significance of an announcement made at the annual meeting of the New York State Life Underwriters Association as to the importance of the decision recently rendered by the appellate term of the supreme court in the case of New York Plumbers Specialties Co. Inc. vs. Philip Stein.

"This is a decision further defining the effect of section 55a of the insurance law of the state of New York on the rights of creditors and beneficiaries under life insurance policies. In order to understand it fully it may be advisable to indicate briefly the legal situation as it was both before and after the enactment of that section in March, 1927.

"Before that time, the only controlling state statute was section 52 of the domestic relations law, and its effect was this:

Tells Background of Case Involving Cash Values

"1. Where an insured carries insurance on his own life for his own benefit, that is, had policies payable to his estate, or to his executors, administrators and assigns, creditors during his lifetime could reach the cash surrender values of his policies, both in the state courts and in the federal bankruptcy courts, and could compel the application of the proceeds of the insurance policies, after his death, to the satisfaction of their claims. The enactment of section 55a of the insurance law made no change in this respect.

"2. Where an insured carried insurance in favor of named beneficiaries other than himself, one has to distinguish first whether or not he had reserved the right to change the beneficiary. If the right had not been reserved, the cash surrender values of the policies vested in the beneficiary and creditors could not reach the same in either the state courts or the federal bankruptcy courts.

Court Decisions Conflicted Over Change of Beneficiary

"3. Where the insured had reserved the right to change the beneficiary, there was conflict of opinion in the state courts as to whether or not the creditors could reach the cash surrender values of the policies, and it was well settled in the federal bankruptcy courts that the trustee in bankruptcy could reach these values.

"4. In case of the death of the insured, creditors had no claim against the proceeds of policies payable to named beneficiaries other than the insured's wife, except in case of fraud, but where the beneficiary was the widow, under the peculiar provisions of section 52 of the domestic relations law

of the state of New York, the creditors had the right to satisfy their claims out of the insurance monies insofar as these had been purchased by payments out of the property of the insured in excess of \$500 per annum. The absurd result was, therefore, that the insured's wife, the beneficiary most frequently named in policies of life insurance, was in a far less favorable position than everybody else.

"The law had thus remained practically unamended ever since its enactment in 1840.

Underwriters Association Takes An Active Part

"In 1927, the New York State Life Underwriters Association decided that it was up to it to protect the interests of the policyholders served by its members, by procuring a more modern and more just enactment. There was one very favorable element in the situation. By special provision of the bankruptcy act, the federal bankruptcy courts are compelled to enforce the local exemption laws and it was therefore possible, by procuring the enactment of a state law, to change radically the situation both in the state courts and in the federal courts.

"Counsel for the said association therefore in cooperation with counsel for the Association of Life Insurance Presidents prepared a bill and the association became very active in its support; it was finally enacted into law in March, 1927. The law, in rather technical language, provides that the lawful beneficiary of life insurance policies, other than the insured, shall be entitled to the 'proceeds and avails' of the policies, as against the creditors of the insured whether or not such insured shall have reserved the right to change the beneficiary. It also contains certain provisions in case the policies have been taken out with intent to defraud creditors.

Instituted Test Case to Try Out New Statute

"Very shortly after the enactment of this statute, it was tested in the courts. The first case was that of Chatham Phenix National Bank & Trust Co. vs. Crosney, 251 N. Y. 189. In that case, Crosney had died hopelessly insolvent but leaving \$100,000 life insurance payable to his widow, and the bank, proceeding under the old section 52 of the domestic relations law, demanded that said monies, insofar as they had been purchased by premiums in excess of \$500 per annum, which of course, meant the greater part of the monies, be applied to the payment of the claims of creditors, while the widow resisted that demand under the provisions of the then newly enacted section 55a of the insurance law.

"Decision was rendered first in favor of the widow, but upon appeal to the intermediate court of appeals, the appellate division of the supreme court, this decision was reversed and the court held in substance that the benefits of section 55a extended to everybody but the widow of the insured.

"The New York State Life Underwriters Association, by its counsel, thereupon, intervened in the case as amicus curiae (friend of the court) and the court of appeals, the highest court of the state, reversed the appellate division and reinstated the decision of the lower court, holding that under section 55a creditors can no longer assert any claims to the proceeds of life insurance policies except in case of fraud.

"About the same time a case arose in the bankruptcy courts, in re Messenger, 29 Fed. 2d Series, 158, certiorari denied 279 U. S. 855 (opinion of referee

(CONTINUED ON PAGE 6)

Group Insurance Weathers Storm

Greater Response Is Coming From
the Smaller Business
Concerns

PERCENTAGE INCREASED

Employers Inclined to Keep Policies in
Force Because of Benefit
to Workmen

NEW YORK, June 11.—Group insurance officials, both in home offices and in the field, feel that their particular commodity is weathering the depression in acceptable style and will hit a fast pace with the definite arrival of the long-awaited upturn in business.

While a number of big cases have been written, field representatives have been getting a good response from smaller concerns, finding that it is more effective to sign up several smaller groups than to hazard too much time on a case of the first magnitude which represents a large item of waste effort if it fails to come through.

Increasing Payroll Percentage

Good work has been done in increasing the insured percentage of plants' payrolls. If the number of insured employees is brought from 75 percent of the total payroll to 90 percent this will go a considerable way toward offsetting reduced premiums through lessened payrolls.

Lapses have been almost negligible, as employers operating under the group plan are well sold on its benefits. Even if they were disposed to consider it an extravagance they would probably be deterred from dropping their group coverage because of public opinion among the employees.

Attitude of Employees

From the employee's point of view the situation also seems favorable to the continued success of the group plan. It might be thought that employees who have been paying their contributions on the group plan and find themselves laid off would not think very highly of group insurance, as the only privilege it would offer them would be that of converting to ordinary life at attained age without medical examination, an opportunity which a man in such circumstances would hardly be in a position to take advantage of. Where employees are laid off, however, it is still possible to continue protection on the group plan for a time. Where layoffs have not been necessary and employees are working part time, group insurance has enjoyed great popularity and companies report that many cases have been closed because of the widespread protection thus obtainable.

To Continue "Life Values"

The Life Trust Round Table of Chicago held a meeting at which it was decided to continue "Life Values," educational publication, for a year on a nine-months basis, October to June inclusive. P. G. Dallwig, New England Mutual, editor, was complimented for his work and R. L. Davis, C. L. U., former editor now associate editor, for his cooperative educational work with trust companies.

"Life Insurance," by Joseph B. Maclean, assistant actuary of the Mutual Life of New York, is a non-technical explanation of the principles and practices of life insurance. It is sold by The National Underwriter at \$4.

Alabama Retaliatory Law Ruling Opposes Precedent

METHOD USUALLY IS UPHELD

State Supreme Court's Decision That
Statute Is Unconstitutional May
Sway Attitude Elsewhere

NEW YORK, June 11.—In holding the insurance retaliatory law of Alabama unconstitutional, the supreme court of the state departs radically from the courts of a number of other states where the same question has been tested out.

In the action of Alabama against the Fireman's Fund of California, in seeking to collect \$1,736 alleged due on the privilege tax for 1929—the sum sued for being the difference between the regular charge of \$1.50 on each \$100 gross premiums received on Alabama business and \$2.60 demanded by California law for premiums within its jurisdiction—the supreme court sustained the opinion of the circuit court in finding for the defendant corporation, broadly on the ground that the statute violates both the state and federal constitutions by not permitting companies of other states rights granted home institutions.

Retaliatory Law Stands

Some 38 states have retaliatory laws which are essentially the same. The constitutionality of the provision has often been questioned, though in court actions by insurance companies in Illinois, Indiana, Maryland, Minnesota, Nebraska, New Hampshire and Vermont, the law has been upheld.

It is pointed out however that all such decisions were rendered prior to the important change in the attitude of the United States Supreme Court, which first ruled that foreign corporations had no inherent rights in a state, and that the state could impose whatever conditions it saw fit governing their entry and operation there. Subsequently the position of the final tribunal was altered, it holding that no state was permitted to impose conditions that would deprive a company of its constitutional rights as a condition precedent to its entry into or remaining within a state.

Appeal Is Not Expected

While it is not known whether appeal to the United States Supreme Court will be taken by Alabama in the Fireman's Fund case, the assumption is that it will not be and that the decision as rendered by the state supreme court will stand unchallenged. While the decision, of course, will have no bearing upon the laws of other states, it is of considerable interest, and it may be that the reasoning followed by the Alabama court will be adopted elsewhere if the retaliatory law is again called into question.

Smith Agency Supervisor for the Life of Virginia

The Life Insurance Company of Virginia announces the appointment of R. H. Smith as agency supervisor for southern and western territory. He left this week on a trip to Texas and Oklahoma. He will make his headquarters at the home office in Richmond and will work under the supervision of J. E. Woodward, vice president. He was formerly director of southwestern agencies for the American National of Galveston with headquarters at Memphis. Altogether his life insurance career extends over a period of 21 years. He is a past vice president of the Mississippi State Underwriters Association and at present is a member of the staff of Governor T. G. Bilbo of that state with the rank of colonel. He is a native of Livingston, Ala.

Vice-President Amber Tells of Unwise Promise

Vice-President H. L. Amber of the Berkshire in a recent talk told a story about an agent who had closed a case. After the application was signed, the settlement made, the policyholder said to him, "Now, Henry, you have sold me life insurance at various times. This makes me an even \$100,000. I am going to ask you a special favor. Do not ever request me to buy any more life insurance. I have all that I ever expect to buy and all I need." The agent so promised. Mr. Amber then continued:

"Two or three years went by and one day the agent was informed that Mr. Insured had asked for a change of beneficiary on his life insurance. The change was to make his insurance payable to a trust company. Henry, like most life men, wondered if the man had ever bought any more insurance, so he took out the change of beneficiary forms himself. After they had all been signed and arrangements made to make the change, Henry said to the insured: 'You remember several years ago you asked me never to suggest your buying any more insurance? I have, as you know, religiously complied with your wishes but today I wondered if you had ever purchased any more.'

Took Out More Insurance

"Mr. Insured said: 'Well, Henry, to be honest with you I have. Two days ago I gave my check for \$200,000 of additional insurance and I want to tell you how it happened. About three weeks ago my secretary came in and said that there was a gentleman outside to see me and he sent in a letter of introduction from a close personal friend of mine. I was obliged to see him. When he came in he said to me, 'Will you please tear up the letter that your secretary just gave you and forget all about ever having received such a letter? I have a story to tell you. It will take me 20 minutes. When I have completed my story I will leave. I am not going to ask you to buy any life insurance.' In 20 minutes he told me the most thrilling story that I had ever heard and the story so nearly fit my own situation in life that it was uncanny. At the end of the 20 minutes he left.

Felt Effects of Story

"You know, Henry, I thought all night and all the next day, and for several days, about this story. In three or four days after his call upon me, I received a letter from another friend of mine stating that if this particular life man called upon me to be sure and give him a little time. This friend of mine stated in his letter that he had arranged his estate in such a way that all anxiety as to his own future and to the future of his family had been relieved. A few days later I received another letter giving me about the same information and from another very good friend of mine. Two weeks after the first call of this insurance man, he called again, presented his card and, Henry, in 10 minutes I had purchased \$200,000 of life insurance and my estate was on its way to be properly set up."

Mrs. Mary Zitzman Dies

Mrs. Mary Zitzman, mother of Martin A. Zitzman, Chicago manager of the Missouri State Life, died Monday. She was 80 years old and had lived 77 years in Chicago. She was the widow of the late Fred Zitzman, pioneer Chicago brick manufacturer. She is survived by 10 children, 20 grandchildren and seven great grandchildren.

The Little Gem Life Chart helps you sell policies, backs up your arguments, answers rate, policy, dividend and company questions and gives you confidence because you have accurate facts handy when you want them. Order at your company club rate from The National Underwriter.



Nylic Agents paid for \$900,897,700 of new insurance in 1930. Of this total 97.1 per cent was on Life and Endowment forms; only 2.9 per cent was Term insurance. These ratios, particularly in the present economic situation, demonstrate that Nylic Agents are successfully trained to sell the more substantial forms of insurance.

NEW YORK LIFE INSURANCE COMPANY

51 Madison Avenue, Madison Square
New York, N. Y.

WHY WE PICKED N^WNL

R. H. Carter and V. L. Thompson, life insurance men of high standing and years of experience, were recently appointed as N^WNL managers for Arkansas. They wrote and placed in the Arkansas Gazette an advertisement announcing their appointment, from which the following is taken:

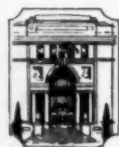
“We picked the Northwestern National Life for the following specific reasons:

1. Age, size, strength and reputation in all of which respects the Northwestern National ranks among the first ten per cent of American Legal Reserve Companies.
2. Sound and conservative investment program. Forty-four per cent of total assets in high grade bonds and cash, bonds showing present market value substantially higher than purchase price. No part of legal reserves invested in stocks of any character.
3. Offers both participating and non-participating insurance at exceedingly favorable rates to policyholders.
4. Highly developed agency training program, especially valuable to new men in the life insurance business.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL



The Doorway

to Opportunity

EXEMPTION CASE IS INTERPRETED

(CONTINUED FROM PAGE 4)

11 American Bankruptcy Reports, New Series 651). Messinger, a bankrupt, carried life insurance in favor of his wife, and had reserved the right to change the beneficiary. The trustee in bankruptcy demanded payment of the cash surrender values, as he had a right to demand under the law as it stood before the enactment of section 55a of the insurance law.

“The referee, in a very exhaustive opinion, decided against the trustee in bankruptcy and in favor of the insured. An appeal was taken to the U. S. district court and the referee affirmed. A further appeal was taken to the U. S. circuit court of appeals which affirmed the decision of the district court. The trustee then asked the U. S. Supreme Court for leave to appeal which, however, was denied. The circuit court of appeals thus decided in the Messinger case that section 55a of the insurance laws had brought about a change in the legal situation and that even where the insured has reserved the right to change the beneficiary, the trustee in bankruptcy may no longer reach the cash surrender values of his policies except if the insured at any time exercises this right in his own favor.

Effect of Decision Was Not Made Retroactive

“The court also pointed out that section 55a, being in the nature of an exemption law, could have no application as against creditors whose rights had arisen before its enactment and that therefore any creditors whose claims arose before March, 1927, still may reach the cash surrender values of the policies. That was an obvious exception necessary under our federal constitution which prohibits the enactment of any statute which would impair the validity of a contract.

“Recently a case arose in bankruptcy where the creditors' claim ante-dated March, 1927, but all the policies had been taken out subsequent to that date. The referee in bankruptcy at first, under the decision in the Messinger case, felt himself compelled to hold that the creditor could reach the cash surrender values of these policies, but subsequently, upon intervention of counsel for the New York State Life Underwriters Association, he reversed himself and held that the exception mentioned in the Messinger case only applied to policies in existence before March, 1927.

“With the foregoing in mind, the sig-

nificance of the latest decision, New York Plumbers Specialties Co. vs. Philip Stein, is apparent. Stein carried two policies of life insurance in the Equitable Life Assurance Society aggregating \$50,000. He had borrowed the full loan values of the policies when New York Plumbers Specialties Co. recovered a judgment against him in the state courts. Subsequent to the entry of the judgment, the creditor examined Stein and discovered the existence of the policies and that dividends were soon to accrue aggregating about \$500. The claim of the creditor was for an amount less than that and an attempt was made by the creditor to compel the insurance company to apply the dividends in satisfaction of the creditor's claim.

“The lower court decided that the protection of section 55a of the insurance law did not extend to dividends payable under participating policies of life insurance because such dividends were in the nature of profit and did not concern the beneficiary.

“As soon as this decision was published, the New York State Life Underwriters Association interested itself in the case and instructed its counsel to intervene as amicus curiae (friend of the court). The appellate court, however, on a very technical ground, affirmed the decision of the lower court.

Association Presses Case in New York Court

“Counsel for the association thereupon prepared a new motion in the lower court for the purpose of having a judicial declaration that said dividends, under section 55a of the insurance law, cannot be reached by creditors, but the lower court again decided adversely to the insured and in favor of the creditor. A second appeal was thereupon taken in which the New York State Life Underwriters Association again intervened and finally a decision was handed down during May, 1931, in which the appellate term of the supreme court reversed the lower court and held in substance that dividends under participating policies of life insurance are embraced in the term ‘proceeds and avails’ used by section 55a, and that they cannot be reached by creditors unless the insured avails himself of his rights and directs the insurance company to pay these dividends to him in cash, but that if the dividends are applied towards payment of premium or towards the purchase of additional life

The Postal National Life Insurance Company

announces the appointment of

DORR PRICE and JOHN M. BARNEY

as General Agents in Chicago



Postal Life Bldg.

Mr. Price was formerly a partner in the great insurance firm of Moore, Case, Lyman and Hubbard. Mr. Barney was formerly of the large Rockwood Agency. Both men have extensive insurance experience.

People need to be told about life insurance by men who know life insurance. The Postal National Life seeks agents and general agents of character and integrity, who know life insurance. It has unequalled facilities for supplying a steady flow of genuinely interested prospects.

**POSTAL NATIONAL LIFE
INSURANCE COMPANY
OF AMERICA**

POSTAL LIFE BUILDING

**511 Fifth Avenue, New York City,
New York**

insurance, the creditor has no right to seize these dividends.

"At the annual meeting of the New York State Life Underwriters Association, its president stated that the association had spent considerable sums of money in this litigation. In view of the fact that the dividends involved in the case amounted to only \$500, a word might be said why it was felt necessary to fight this case with all our resources. The reason is this: While the decision of the court which held that dividends are not protected under section 55a of the insurance law was that of a minor court, and could not be considered a precedent of highest standing, still it being the only decision on this matter in any court, it was liable to cast a doubt on the status of dividends and, while it was in effect, no life insurance agent could truthfully advise his policyholder that the entire policy was fully protected against the claims of the insured's creditors.

"The decision was thus a very unfair discrimination against participating life insurance. The association felt that it was necessary to go to great lengths in order to reassure its own members and the insuring public, which is being advised by its members and by other life insurance agents. This purpose has been fully accomplished. The effect of the decision of the lower court has been completely destroyed and while the decision of the appellate term is not binding on the higher appellate courts, it is believed that the cogency of its reasoning will prove persuasive and effective if at any time the question should again be raised. Counsel, however, feels that it is very unlikely that this question will again be litigated.

Believes Strong Precedent Has Been Set in Suit

"I have also been asked how far the New York legislation and the decisions construing it are of importance to insurance agents and the insuring public in other states in the union. Of course, the legal effect of New York State statutes is strictly limited to the territory of the state, but it must not be forgotten that the state of New York comprises about 10 percent of the population of the entire United States and that it is not only the most populous state in the Union but one of the utmost importance in commerce; while no figures are available, no doubt is felt that far more than 10 percent of all the outstanding life insurance is carried in this state.

"Any legislation or decision affecting such a large proportion of American life insurance in itself is significant.

New York Law Rulings Accepted Far and Wide

"Furthermore, it must be realized that the effect of what is done in this most important commercial state in the Union goes far beyond its own boundaries. Since the enactment of section 55a, attorneys and life insurance men in many other states have been in contact with counsel and the officers of the association and it is understood that the state of Virginia has since adopted the New York statute verbatim.

"In addition to that there is no question that the argument that New York has adopted this statute, which in its provisions is the most liberal of any in effect anywhere, will be persuasive with the legislatures and courts of other states.

"As to the decisions of the New York courts, it must be borne in mind that they have always been considered decisions of very high authority indeed, and that they are frequently cited and followed by the courts of other states and by the federal courts."

Edward A. Woods' "Sociology of Life Insurance" presents fully the vital problems of life insurance for constructive good to such major social problems as poverty, disease, crime, old age dependency, inadequate education, unemployment, needless waste of life and estates, and effective philanthropy. Price, \$2.50. Order from The National Underwriter.

Actuarial Vote Regarded as Significant of Future

DISABILITY PROVISION UP

Many Actuaries Desire to Return to the Simple Waiver of Premium Clause

NEW YORK, June 11.—Since the informal vote was taken at the annual meeting of the Actuarial Society of America on the total and permanent disability clause, company officials all over the country have been impressed with the sentiment prevailing that some radical action should be taken. The big majority of the actuaries voted against continuing the monthly indemnity, suggesting that the companies return to the simple waiver of premium clause, which was the original disability provision. It seemed to be the consensus of opinion that this was as far as the companies should go. Some, however, voted to cut loose entirely from total and permanent disability. Others favored cutting down the monthly indemnity to a \$5 unit instead of 10. The im-

pression prevailed that a further increase in rate would not solve the problem. Evidently actuaries are not certain yet as to what reserves should be put up or what rates should be charged. The vote taken at this meeting was truly significant.

Advertising Los Angeles Topic

At the meeting of the Life Managers Club of Los Angeles June 8 A. J. Hill, California manager State Life of Indiana, discussed advertising and presented many valuable suggestions based on his own experience, both as an old advertising and newspaper man and as the manager of the leading agency of the company he represents, in which latter position he has advertised extensively in the San Francisco and Los Angeles newspapers. The main point to which attention was directed was the value of a combination of institutional advertising and weekly stories dealing with interesting facts of life insurance to be published on the same page or in the same section of the paper.

President H. G. Saul announced that the directors had completed arrangements for a series of advertisements to be run each week in the Los Angeles "Examiner," beginning June 16, and continuing for several months.

Insurance Commissioners Meeting Plans for Chicago

Jess G. Read, Oklahoma insurance commissioner and president of the National Convention of Insurance Commissioners, predicts that between 35 and 40 members will be present at the spring meeting of the executive committee at the Stevens hotel, Chicago, the first three days of next week. Monday will be given largely to getting acquainted and introducing new members as some 10 or 15 appointments have been made since the annual meeting at Hartford. There will be a number of committee meetings including one on examinations, special committee on life company interlocking arrangements, etc. President Chauncey S. S. Miller of the Insurance Advertising Conference will speak. The executive committee will meet Tuesday with Commissioner Yenter of Dea Moines in charge. The time and place for the annual meeting will be determined. There will be two vice-presidents elected. There will be an executive session Wednesday.

Two days clear money will bring to you 20 pictorial sales builders from the A. & H. Bulletin. Send 50 cents to 420 E. Fourth St., Cincinnati.

LIFE AGENTS

SINCE the inception of Life Insurance members of your profession have been instrumental in insuring the success of their clients. Often times to the extent that they have forgotten that they too would some day have to measure their own success. Analyze your case. Are you satisfied that you are successful or that you are becoming so? If not, write us immediately in order that we may show *you* how we can insure your success, at the same time insuring the success of your clientele.

Address your communications to

The Minnesota Mutual Life Insurance Company
St. Paul Minnesota



NEWS OF THE COMPANIES

Establishes Medical Plan Encouraging Record Shown

Michigan Life of Detroit Is to Offer a Complete Service to Its Policyholders

The Michigan Life of Detroit has concluded arrangements with a group of physicians and surgeons to provide policyholders with a complete physical examination at no expense to them, making it possible for them to obtain accurate information as to their physical condition regularly and periodically, according to an announcement by L. T. Hands, vice-president and general manager.

The Michigan Life has leased a building at 2992 east Grand boulevard, adjoining the home office, and has established a complete diagnostic clinic containing every department of medicine and surgery with Dr. W. H. Brown, medical director, in charge and a group of specialists as the operating staff. Full facilities have been provided for examination and treatment including a clinical laboratory, X-ray laboratory with modern fluoroscopic equipment, basic metabolism departments, ultra violet ray, irradiation equipment and facilities for electrotherapy.

A corps of registered nurses will be in attendance at all times to insure proper treatment of the policyholders. The clinic will be opened to the public at a moderate scale of charges in order to offset the heavy cost of its operation.

Northwestern National Had Large New May Business

Writing over \$6,000,000 of new business during the month, the Northwestern National Life of Minneapolis made May the biggest month since the record-breaking June, 1930. The month's total was \$6,279,420, an increase over April, which was also a \$6,000,000 month.

The month was marked by a keen race among the agencies for production honors. The White & Odell agency, Minnesota state agents, took first place. Cravens, Dargan & Co. of Houston took a close race for second place from the T. H. Cummings agency of Michigan, finishing only \$105 ahead. Only \$85 of new business separated H. O. Wilhelm & Co., state agents for Nebraska and southern Iowa, and the A. W. Cray agency of North Dakota in their contest for fourth place.

Lincoln National's Increase

On June 5, the stockholders of the Lincoln National Life unanimously voted to increase the capital stock by 50,000 shares, thus increasing the total outstanding stock from 250,000 shares to 300,000 shares. Approximately 85 percent of the entire stock was represented either by proxy or in person. This was the greatest percentage of the stock ever voted since its organization. The increase in capital stock will, in so far as possible, be sold to persons other than present stockholders with a view to widening its distribution. At present approximately 70 percent of the stock is held in Fort Wayne.

Makes 10 Percent Increase

The Midland Mutual Life's new written business in May and for the first eight days of June exceeds all previous records by 10 percent. June has been designated Monroe month in honor of J. G. Monroe, superintendent of agencies, who has just returned to his desk after a serious illness lasting more than five months.

May Was Best Month Mutual Trust Life Has Ever Had in Production

The Mutual Trust Life of Chicago has an encouraging report showing that its new written business in May amounted to \$2,500,000, being by considerable margin the best month in the company's history. Its new paid business exceeded that of May last year, which was its greatest May by 15 percent. The best previous month in its history was October, 1929, when the production just went beyond the \$5,000,000 mark. A year ago the Mutual Trust Life was in the midst of its silver anniversary drive and hence did not anticipate a gain of 10 percent over the month a year ago. Victor F. Pettric, president of the Mutual Trust Life Producers Club and a member of the Million Dollar Round Table, general agent at Milwaukee, has \$555,500 to his credit the first five months. His May production was \$290,500. It included 27 applications on that number of lives.

"K. O." Blair vs "Killer" Wimbish

The Pilot Life is staging a five-round championship fight between "K. O." Blair (T. D. Blair, agency manager) and "Killer" Wimbish (C. C. Wimbish, assistant agency manager), during June. Each week will constitute a round. The agency force has been divided into half, with opportunity presented to two producers on each side to win honor positions as seconds, and ten on each side to win ringside seats with applied-for business. Movable dummy figures of the champ contenders have been arranged upon a giant bulletin board which was set up as the prize ring, with ropes, buckets, sponges, et al.

A special "pink sports edition" announced the scrap, and weekly bulletins will tell the progress of each round in pictures. President C. W. Gold is referee.

Consider Preliminary Report

ST. LOUIS, June 11.—A special commission of representatives of the states that participated in the convention examination of the Continental Life ten months ago is scheduled to conduct hearings on the preliminary report of the examiners here June 18-19.

Mrs. Lawler Now Treasurer

RICHMOND, VA., June 11.—Mrs. Florence H. Lawler, widow of J. N. Lawler, late president and majority stock owner of the Union Life of Richmond, has been elected treasurer of that company. She succeeds J. P. Baldwin, who becomes secretary and assistant

treasurer. Col. Joseph Button, former Virginia insurance commissioner, will remain as president and O. I. Bryan, Norfolk, formerly vice-president and secretary, is to be vice-president. Mrs. Lawler owns 220 of the 250 outstanding shares of Union Life stock and was recently given full control of it by a court decision.

Directors Ratify Deal

By vote of 8 to 6 directors of the United Life & Accident, Concord, N. H., have accepted the offer of the Ohio National Life to purchase the company. It is said the sale price is \$1,000,000 and that \$700,000 more will be paid if the profits warrant it. By a further agreement individuals connected with the Ohio National will pay United stockholders who request it \$75 a share. The present quoted price is \$35. The United Life stockholders have yet to ratify the deal.

National Standard's Record

Robert Broussard, vice-president and agency director of the National Standard Life of Houston, finds that its monthly record was broken in May, an increase of 100 percent being noted. There was no increase in the agency force nor any special drive for business. The company is operating in Texas, Arkansas and Louisiana. It has been paying particular attention to conservation and its renewal department reports that its lapse ratio is now practically on a normal basis with a reduction of policy loans and premium notes.

Seaboard Life Men Busy

The Seaboard Life of Houston started a campaign in May to overcome depression and as a result the paid business was the largest in its history. Its 40 agents paid for \$754,191 on 316 lives. Lapses were \$40,000, giving a gain in insurance of over \$600,000 during the month. The business was well distributed over the state among the cities and small towns.

Two Concerns to Combine

MADISON, WIS., June 11.—A merger between the Beavers' National Mutual Benefit of Madison, and the Farmers' Life of Humboldt, Wis., is announced. Total assets of the consolidated organization will be about \$3,000,000, and the amount of insurance in force will be about \$40,000,000. The total number of policyholders will be 55,000. The home office is to continue in the Beaver Building here, and the name will remain under the corporate title of the Beavers' organization.

New Company at New Orleans

NEW ORLEANS, June 11.—The Old Republic Life & Casualty, a legal reserve company, has filed its charter showing proposed capital of \$1,000,000, with 100,000 shares at \$10 par value,

to begin business when \$500,000 has been paid in. The articles of incorporation show W. F. Hightower, B. C. Moore, F. N. Green, V. H. Sonderberger, A. L. Boisfontain, Henry C. Otto, A. M. Suthon, R. H. Potts, Henry Baudean, C. W. Hollingsworth, E. A. Alsobrock, S. S. Carolheirs, C. F. Buchler and H. M. Ansley as directors. Officers elected are: W. F. Hightower, president; R. H. Potts, V. H. Sonderberger and F. N. Green, vice-presidents; A. S. Boisfontain, secretary, and B. C. Moore, treasurer.

Bailey Restrains Merger Plans of Old Republic

Merger of the Old Republic Life of Chicago and the Bankers Credit Life of Birmingham was approved at a special meeting of the Birmingham company's stockholders, but at least for the time being it doesn't mean anything. Fred Bailey, vice-president Old Republic in charge of production, this week secured a restraining order on the claim that the consolidation would invalidate an agreement which the Old Republic, directors and trustees of a voting trust made with him to permit him to buy 6,300 shares of Old Republic at \$25 a share, a total of \$315,000, if he produced \$75,000,000 of business in five years. He says the agreement has three years and nine months to run.

The injunction is directed against the Old Republic, Foreman Trust & Savings Bank, and individual defendants: M. J. Spiegel, chairman Old Republic; C. W. Howe, president; C. J. Driever, treasurer, and R. E. Wilsey and C. H. Boyer, trustees of the voting trust.

The project was to be presented Old Republic stockholders Monday and it was said would have been ratified. Mr. Spiegel was scheduled to head the merged companies as chairman, the title to be Old Republic Credit Life, and B. I. Rapport, president of the Birmingham company, was to be president.

Register Life Agents Active

In honor of President Decker's 25 years of service with the Register Life, agents honored him with a 26 percent increase in business for May. The new business for the year to date is 23 percent greater than in 1930.

Each agent took as his May objective the serving of six new homes through planned Register Life insurance. A. L. Littig, secretary, states that the company increase is due largely to the use of the fundamental sales plan put into operation last year.

Offers Luscious Benefits

Commissioner Freedy of Wisconsin calls attention to hundreds of letters being sent to his state by the National Aid Society of Springfield, Ill., offering agents \$5 out of every \$6 collected for policies which can be sold to people from 1 to 80 years. An elaborate table of benefits varying from \$250 for persons from ages 71 to 80 and \$1,000 from ages 11 to 50 is shown. Commissioner Freedy states that an investigation is being made by the Illinois department to see whether this concern is exceeding its corporate powers.

Features With Interest

That policyholders are really interested in obtaining additional life insurance information and service is shown by the returns from the 1931 policyholders' magazine of the Connecticut Mutual Life. Policyholders requested service or information on a total of 2,386 items. Requests for information on retirement income was responsible for the largest number of inquiries. Some of the other items on which information was requested, in order of their popularity, are the advance premium deposit fund, the life insurance method of saving, list of investments, life income trust, how best to handle dividends and life insurance as a career.

American Central Building



This is a view of the new home office building of the American Central Life of Indianapolis as seen from across Fall Creek on Fall Creek Parkway south. It is one of the most modern and thoroughly equipped structures of its kind. The main building of classic Italian architecture faces Fall Creek Parkway.

The east end parallels Meridian street for 65 feet. The rear parallels 26th street, being four stories high. It is fire-proof steel and reinforced concrete construction. It provides for future growth by the addition of three wings so that ultimately the building will be shaped like an enclosed letter "A."

AS SEEN FROM NEW YORK

LIEBERMAN IS A LEADER

Abraham Lieberman, superintendent of the recently opened Prudential industrial office No. 20 in the Bronx, led all industrial offices in the production of ordinary business for a period of two weeks. Mr. Lieberman made an outstanding record as assistant superintendent in the Isaac Goldstein office in Bronx, both as a personal producer, trainer and organizer of new agents.

S. S. WOLFSON'S ANNIVERSARY

S. S. Wolfson, New York City general agent of the Berkshire, celebrated his second anniversary in that capacity in May. He has now 20 full-time agents and they wrote \$1,250,000 in May. General Agent Wolfson was host to his

staff at a luncheon to celebrate the event. There were present from the home office Secretary R. H. Davenport and Vice-President H. L. Amber.

HANSELMAN IN NEW YORK

W. F. Hanselman, assistant superintendent of agents of the Union Central Life, has been in New York for several days and on Monday addressed an agency meeting of the C. B. Knight agency.

DECISION IS REVERSED

Because the New York court of appeals has held that section 53 of the domestic relations law, which permitted creditors of a decedent to recover such portion of his life insurance payable to

his widow as was purchased by annual premiums in excess of \$500, was repealed by section 55-a of the insurance law, the appellate division of the New York supreme court, first department, has reversed its prior holding in the case of United States Mortgage & Trust Co., etc., vs. Ruggles et al.

Previously the appellate division had held that the creditors might recover the excess insurance but since the court of appeals had held contra in another case, the earlier ruling of the appellate division was reversed to avoid an unnecessary appeal to the court of appeals. The appellate division pointed out, however, that its earlier ruling has become the law in the case and would bind the court were it not for the holding of the court of appeals.

The fact that the death of the insured occurred, the insurance had been paid and this action had been commenced and was at issue before the enactment of section 55-a of the insurance law did

not give the plaintiff any rights under section 53 of the domestic relations law, it was ruled. This is because the rights of creditors under the latter section, being given by legislative grant, can not a final decree of a court of equity.

L. A. CERF TO SPEAK

L. A. Cerf, former general agent of the Mutual Benefit Life, who has just returned from a world cruise, will address an agency meeting of the C. E. DeLong agency of the Mutual Benefit June 15. Following the meeting Mr. Cerf will be a guest of honor at the monthly luncheon of the 20 leading producers.

John A. Stevenson's "Education and Philanthropy" explains the special advantages of life insurance as a means of creating funds for educational and philanthropic needs, and which sets forth in detail the various life insurance plans that are being used for this special purpose. Price, \$2.50. Order from The National Underwriter.

George Washington and the Sculptor's Insurance

THE dedication of Houdon's statue of Washington by the historian of the Bicentennial Commission at Richmond, May 14, reminds us that the institution of Life Insurance was touched by romance when George Washington sat to the great Houdon, the sculptor who executed his statue in 1785.

Though a great artist, Houdon was far from being an impractical idealist. When offered the commission to come to America and make a bust of General George Washington, he hesitated to accept. Travel was hazardous in those days and Houdon feared leaving his loved ones unprovided for in the event of his death while executing his commission.

Accordingly he agreed to accept the commission on one condition—that the State of Virginia, for whom the statue was to be made, insure his life for the benefit of his dependents.

There was no life insurance available in America at that time and there were many difficulties and delays in getting the risk underwritten. But the contract finally went into effect on the 12th of October, 1785, for six months—long enough for Houdon to model the bust and return to France, where he completed the only original life sized figure of Washington in existence, for the State Capitol in Virginia.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Not Just "Good" or "Very Good" But "Excellent"

The Alfred M. Best Company, New York, rates the Midland Mutual Life Insurance Company as an "Excellent" Company. A careful study of our record will tell you why.

General Agency opportunities in the following states:

Indiana, Illinois, Michigan, Pennsylvania, New Jersey, Virginia, West Virginia, North Carolina, Kentucky, Iowa and California.

Address the Agency Department

THE
MIDLAND MUTUAL
LIFE INSURANCE
COMPANY
Columbus - Ohio

"Its Performances Exceed Its Promises"

Assets, \$20,000,000
Insurance in Force, \$112,000,000

LIFE COMPANY CONVENTIONS

Northwestern Mutual Rally

Tentative Program Announced for Meeting of Association of Agents at Home Office July 20-22

MILWAUKEE, June 11.—More than 1,200 agents of the Northwestern Mutual Life will be in attendance at the annual meeting of the Association of Agents at the home office here July 20-22. R. M. Hamburger, Minneapolis, is president of the association.

After an address of welcome by President W. D. Van Dyke, C. H. Parsons, superintendent of agencies, will present prizes and certificates. Group luncheon meetings will then be held. E. H. Earley of New York City is chairman of the afternoon program. The general agents' meeting will be in charge of President C. L. McMillen, recently appointed general agent in New York City. Special and soliciting agents will hold a meeting, as will the special and district agents. A good-fellowship dinner will be held Monday evening under the direction of Mr. Hamburger and R. P. Thierbach, assistant superintendent of agencies.

Tuesday and Wednesday Sessions

G. V. Metzger of Kansas City is chairman for Tuesday morning and M. P. Coonan, St. Paul, in the afternoon. The annual banquet will be held Tuesday evening.

M. J. Cleary, vice-president, will close the sessions Wednesday morning with an inspirational address.

Northwestern National Meeting

The meeting place for the next convention of the Northwestern National Life has been changed to St. Petersburg, Fla. The convention will be held in the winter of 1932. Qualification for the Florida convention is based on an 18-month production contest which began July 1, 1930.

Pan-American Life's Rally

Annual Agency Convention Will Be Held in Toronto—Program Presents Inviting Features

Representatives of the Pan-American Life from practically all of the 25 states of its domestic territory will leave early in July for the agency convention in Toronto, July 9-11. May 31 was the closing date for qualification, with \$200,000 paid production as the requirement for single attendance and \$300,000 required for attendance of agent and guest.

The program, to open with an address of welcome by H. B. Armstrong, deputy superintendent of insurance for Ontario, will include addresses by officials of the company and by leading representatives. Charter members of the Dynamo Club, official producers' club of the Pan-American organized Jan. 1, will be introduced and the club awards presented. An elaborate entertainment program has also been arranged. It is reported that all members of one West Virginia agency will make the trip by bus.

Connecticut Mutual Meeting

HARTFORD, June 11.—The Connecticut Mutual Life will conclude its four-day convention at Hartford with Governor W. L. Cross of Connecticut as the principal speaker at the closing session. The first three days were spent at New London but in order to celebrate the 85th anniversary more fittingly the final session will be held at the home office. In addition to President J. L. Loomis, those appearing on the program include Vice-presidents P. M. Fraser and H. M. Holderness, L. G. Simon, New York City, Equitable Life of New York and C. C. Gilman, Boston, National Life of Vermont. One entire session was devoted to the subject "Life Insurance as Property."

See Recruiting Opportunities This Year

The action of one large Chicago general agency in obtaining a number of men of high caliber for its agency force who, because of business depression or other reasons, were forced to leave executive or sales posts of large businesses, has raised the question whether life insurance cannot draft a large number of men and women of ability this year who in normal times might not be interested in agency connections.

The opportunity is admitted by a number of life insurance executives. They say the depression has pushed many persons of real ability out of jobs and it is possible that life insurance could profit. One of the greatest assets which such agents could bring to life insurance would be the unusually fine connections which they had in their former businesses. Undoubtedly many agencies are taking advantage of this situation.

Disadvantages Pointed Out

However, several possible disadvantages are pointed out. One, it is said, is the depressed morale of these people who formerly were highly successful but through successive stages were forced down to a position of low finances. In addition it is said many of them are depressed because after having spent a number of years in their own business, studying it thoroughly and making themselves, as they thought, so valuable that their positions were secure, they came to the place where they found that no company in their particular line could use them. The shattered morale which resulted in

many instances it is believed is a poor start for selling life insurance.

Another serious objection to contracting with such men and women, officials say, is that many of them will be found to be dissatisfied with the grinding early years of life insurance selling, and as business recovers will be on the lookout for positions in their former lines. The only basis on which a number of agencies will take such men is that they are able to finance themselves for a substantial period, in most cases at least six months.

Executive Comments

One executive says, "It is generally true that life insurance has a wonderful opportunity to recruit the ablest men and women from other businesses this year. Undoubtedly there are many automobile, radio and other salesmen of real ability out of work, as well as advertising men and business executives. However, the specific difficulty, it appears to me, would be to keep these people happy in life insurance. Unless they were in a position to finance themselves for a reasonable period, I am afraid it would not work out so well to contract with them."

However, the one general agency referred to obtained 17 men and women of this type, all of whom agreed to, and were able to, finance themselves for at least six months and after an intensive training period were enthusiastic over the life insurance business. Even during the time of the agency school they sold a substantial amount of life insurance.

Trouble Ahead In City Loan Field

(CONTINUED FROM PAGE 3)

Without committing himself as to his belief in the theory, Mr. Strong reviewed the position of those who are predicting that prices are going to have a continuous fall. This theory is based on the notion that there is to be continuous deficiency in gold production. If prices do go down continuously, the logical effect would be lower interest rate. It means that money gotten back is worth more than money loaned and promoters and business men will hesitate to put money in the business where the prospect is for lower prices.

Gold Supply History

The estimated increase in monetary supply needed is 2 to 3 percent per year, according to the gold theory. Mr. Strong pointed out that 1890 to 1915 was a period of rising prices and increasing gold production. In 1890 the gold production was \$118,000,000; in 1900 it was \$254,000,000 while in 1915 it was \$470,000,000.

After 1915 there was much confusion, incidental to the war, and the gold production rule seemed to have been overridden by other factors.

The present production of gold is about \$400,000,000 a year, of which \$200,000,000 goes into non-monetary supplies, which would seem to create a deficiency, according to the gold theorists.

The notion is that no other gold fields will be discovered and production of gold will decrease, bringing lower prices and lower interest rates.

Henry Moir, president United States Life, took issue with the gold theory. He observed that there are immense untapped supplies of gold, which are waiting for operations to become profitable to be tapped.

Idea of William Poorman

William Poorman, Central Life of Iowa, declared that the average interest return of life insurance companies during the last five years discloses little change. His theory as to that is that many companies are not truly earning the net interest rate which they show. Certain companies, he said, on foreclosed property are charging off, while others are capitalizing the cost of improvements. Some are capitalizing past due and penalty interest on foreclosed property. If that is done, the net rate will be immediately increased but will be decreased in future years. Some are charging off past due and penalty interest on foreclosed property which apparently increases their net return.

Policy loans increased from 15 percent of the total assets of the companies in 1926 to 19 percent in 1930. The prevailing rate of 6 percent on policy loans is higher than on other investments. The policy loan situation will probably get back to normal, thereby reducing interest return.

More Trouble in City Loans

Companies are getting a low rate on foreclosed property. There is more trouble in city loans.

W. O. Morris, actuary North American Life, declared that the average return on new investments is materially lower than five or six years ago. He emphasized the importance of imponderables in estimating interest rate trend. The human element must be taken into consideration since the interest rate depends upon the expectation of profit.

The return on stocks today is exceedingly high while the return on first class bonds is definitely lower. There is no immediate prospect of improvement in interest rates, according to Mr. Morris. A decrease should be looked for during the next ten years.

Mr. Morris anticipates greater trouble in the city loan situation. He said that the city loan condition was not accurately reflected in the 1930 state-

ments, but it will be more truly reflected in statements three or four years from now. City loans have not so far caused great anxiety, but they are likely to become increasingly serious. City loans have increased in importance in the last five years while farm loans have gone down in the portfolio of insurance companies. In Chicago, for instance, Mr. Morris pointed out that real estate values have gone down 20 to 30 percent since loans were made on property two or three or four years ago.

Rich Man Takes Loss

R. A. Hohaus, Metropolitan, reported that mortgage experts are predicting trouble ahead in the matter of city loans. He said that the rich man has been taking his loss in real estate while the poor man has been scraping to keep afloat. It is inevitable that many poor men must go under later and this condition will become more apparent.

Mr. Moir predicted that the greatest suffering from city loans will develop in about one and a half or two years. He pointed out that real estate suffers more slowly than securities on the stock exchange.

Mr. Moir said that several companies have several millions of property on their hands which is producing no interest but involves capital expenditure.

Farm loan foreclosures commenced about three years ago and the interest return on this property in possession is exceedingly low.

More Apparent Than Real

The higher interest rate on policy loans is more apparent than real, according to Mr. Moir. Companies actually don't earn 6 percent, since the expense of handling policy loans is larger than the expense of handling other investments. They are not as good as sound 6 percent investments if such investments could be found.

Mr. Moir said that triple A securities are selling at less than 4 percent, while A and B plus bonds are selling at 5½ percent. This, according to Mr. Moir, is a tremendous difference between absolutely sound and second rate bonds. The reason, he said, is that large bond holders fear there will be foreclosures and bankruptcies. If that fear did not exist there would be a more gradual tapering down from perfectly sound bonds to those on the borderline.

Mr. Moir predicted that there will be a gradual reduction in the interest rate on secondary bonds as they develop into class A bonds.

The Western States Life increased written business 45 percent in May over the previous month.

Aetna Life Made Member American Life Convention

The Aetna Life has been unanimously admitted to membership in the American Life Convention. This increases the total membership to 141 companies, including several Canadian companies.

The annual meeting of the American Life Convention will be held at the William Penn Hotel, Pittsburgh, on October 5-9. As has been the custom for many years the Legal Section will hold its sessions on Oct. 5-6.

The general sessions will open on the morning of Oct. 7 and the financial and home office management sections will also meet that day. Oct. 8 will be devoted to the general meeting and the annual banquet. On the closing day, the agency section will hold its meeting while the executive session of the main convention will also be held.

Royal Union Suit Dismissed

Suit of stockholders of the Universal Life of Dubuque against the Royal Union Life, to recover \$250,000 losses alleged to have been incurred by the merger with the latter, was dismissed last week on motion of the Royal Union's attorneys.

The June Horoscope

The Pearl is the June birth stone.

November is the fortunate month for June people, and blue is the lucky color.

Famous persons born in June were Rembrandt, Jefferson Davis, Rousseau, Nathan Hale, Rubens, Harriet Beecher Stowe and C. T. Yerkes, the millionaire.

To men born in June will come great wealth provided they follow congenial employment.

But June people are inclined to wanderlust and restlessness and are vacillating.

If you are a life insurance salesman and like the work but are not now under contract, you should immediately join the Royal Union, settle down and cultivate a restful spirit. You can make big money with us.



Royal Union Life Insurance Company

Des Moines, Iowa

A. C. Tucker, President

Want Two-Year Suicide Clause

(CONTINUED FROM PAGE 3)

by the suicide route. "The very fundamental basis of insurance is infringed upon," he said, "if we admit a man has just as much right to end his life by his own hand as in any other way." In no other insurance line, according to Mr. Buttolph, is anything resembling suicide tolerated. He mentioned the analogy of suicide and arson, pointing out that fire companies will always contest payment where arson is involved.

Mr. Buttolph contended that the insurance companies should have the legislative privilege of reducing the amount payable after suicide throughout the life of the policy. They should have the privilege of paying more for death from certain causes, such as lingering diseases, and they should be permitted to adjust the suicide payments downward.

As to the contestable clause, Mr. Buttolph took the position that companies

should be permitted to protect themselves against fraud at any time. He said that no man should be able to collect by perpetration of fraud. He admitted, however, in this connection that unscrupulous companies might take advantage of more liberal privileges of contesting. In the matter of suicide, Mr. Buttolph made the flat statement that all legislation on suicide clauses should be removed.

J. C. Rietz, actuary Midland Mutual, gave a comparison of 99 companies in 1928 and 1931 in the matter of their contestable and suicide clauses.

In 1928, 60 companies had a one-year contestable clause; 29 companies had a two-year contestable clause; 73 companies had a one-year suicide clause and 26 companies had a two-year suicide clause.

From 1928 to 1930, 19 of these companies changed from a one-year contestable to a two-year contestable clause, while 17 changed from a one-year suicide to a two-year suicide clause. One company changed from a two-year contestable to one year. Two companies

went from a two-year suicide to one-year. The result was that 42 companies had a one-year contestable clause in 1931; 57 had a two-year contestable clause; 58 had a one-year suicide and 41 had a two-year suicide.

Analysis Carried Further

Forty of these companies in 1931 have a two-year contestable and two-year suicide clause; 41 companies have a one-year contestable and one-year suicide; 17 have a two-year contestable and one-year suicide, while one company has a one-year contestable and two-year suicide.

Mr. Rietz speculated whether superficial observers might not consider that with a longer suicide than contestable clause, a company might be accused of contradicting itself. Mr. Rietz' opinion was that this difference in clauses should be permitted on the theory that suicide could be excluded at any time.

Pearce Shepherd, assistant actuary North American Reassurance, declared that since the purpose of the contestable clause is to protect the company and its honest policyholders, a one-year clause is not adequate. A two-year clause helps to discourage dishonest applicants, he said. It would be impractical, according to Mr. Shepherd, to cover suicide from the inception of the policy or to restrict payment after suicide after a certain period. For the man who is plunging into a large undertaking, where the chances are great, a two-year suicide clause is needed to protect the company against adverse selection, he said. The best protection against suicide, Mr. Shepherd declared, is sound underwriting from a financial point of view.

Remarks of C. O. Shepherd

Remarks, which were prepared by C. O. Shepherd, vice-president and actuary Missouri State Life, were read by O. J. Burian. Mr. Shepherd's idea is that it would be advisable to have insurance contracts on the same basis as other contracts before the law. A two-year contestable clause is needed, according to Mr. Shepherd, because of non-medical and disability. It is not fair to the average policyholder, who insures against contingencies unknown to him and unknown to the company, for the avenue for the fraudulent applicant to be easy.

Mr. Shepherd declared that it might be advisable to write policies excluding payment or drastically limiting payment after suicide on heavily insured lives. He expressed doubt whether the beneficiaries of one man should be entitled to collect several hundred thousand dollars payable at one time following a suicide.

Suicide associated with disease should be insured against, according to Mr. Shepherd, except for large amounts. Logically, he said, it might be well to distinguish between suicide while sane and insane, but that is always a difficult point to establish.

Pacific Coast Survey

Marcus Gunn, vice-president and actuary Western States Life, reported the results of a recent investigation of ten Pacific Coast companies. This investigation disclosed that in the first policy year, death from suicide constituted 3 percent of expected mortality; during the second year suicides constituted 4 percent of expected and during the third year and each year thereafter constituted about 4 percent of expected. There was a 12 percent increase in suicides in 1930, but the distribution as to policy years was about average.

Mr. Gunn said that the small company more often than the large company has to be guided by practical considerations. A few years ago, he said that the Western States was confronted with too many fraudulent claims and it changed to the two-year contestable clause but left the suicide clause at one year.

W. H. McBride, actuary National Life & Accident, expressed the opinion that the increase in suicide is likely to be only a temporary condition. The scurry of companies to increase their suicide clauses, he compared to the

scramble of companies to insert military and naval service restrictions during the war. After the war, he said competitive reasons caused companies to cancel those restrictions and he declared that after the acute conditions of recent months have subsided, there will be a great rush to return to minimum suicide restrictions. Legislative extension of the suicide period is of little value, he believes, unless this period is made a minimum.

Wretched Piece of Shoddy

He believes that proper periods should be fixed during which fraud or suicide will be a defense and that that period should be made the minimum. He condemned the incontestable clause as a "wretched piece of shoddy" and declared that it needed replacing rather than repairing. The present language obscures rather than expresses, he said. He favors fostering legislation to replace the incontestable clause with something of clear meaning.

A paper prepared by Vice-President J. M. Laird of the Connecticut General was read by Earl C. Henderson, actuary Connecticut General. Mr. Laird, whose company is engaged in an extensive reinsurance business, made a statement that a one-year suicide clause is insufficient protection on a large policy. Different principles are involved in reinsurance than in direct writing, he said. He favored fostering legislation increasing the permissible period in states where one-year clause is the maximum allowed.

E. O. Dunlap, Metropolitan, reported that suicide claims of the Metropolitan in 1930 were uniformly distributed over all policy durations. He believes that few policies are taken out with the idea of suicide in mind.

Contestability of Disability

As to the contestable clause, Mr. Dunlap declared that unlimited contestability of disability is required for a definite period after the claim is made. This is true because of adverse court decisions, improper attitude of doctors and rack-teering of shyster lawyers, he said. Time is needed to contest these claims.

Mr. Dunlap believes that the idea should be put across that a fraudulent contract is never a contract. He advocated closer underwriting of large policies. In 1930 he reported that there was a 2½ percent increase in suicide claims of the Metropolitan on policies of more than \$5,000 while there was an increase of less than one-half of one percent on policies less than \$5,000.

Wendell P. Coler, secretary and actuary American Life Convention, observed that there is a tendency on the part of the companies to increase the length of the contestable period and especially the period in which liability is limited because of suicide. He said that a life insurance contract should provide for contestability of the disability provision at all times on account of fraud. He pointed out that accident and health men will agree with this contention. He said he was not in favor of asking for a statutory change in the extension of the contestable and suicide period. He said that restrictions increase the cost and sale of life insurance and the two-year clause gives the public confidence in insurance. Companies should not give the public the idea that they are not ready to meet their obligations. He favors the two-year clause on the theory that even if the legislative authority existed the clause would seek its level at two years because of competitive reasons.

Suicide to Be Defense

The New York Life is being sued in Seattle by the executor of the will of S. B. Asia of that city who died March 13 when his car plunged into Elliott Bay. The company carried \$100,000. Its attorney have indicated that they will base their defense on the ground of suicide. Two other companies with a total of \$80,000 on Asia are said to have failed to pay their respective claims.

Outstanding
by
any
STANDARD
of
COMPARISON

EQUITABLE LIFE
INSURANCE COMPANY
OF IOWA

EIFEL TOWER

ARC DE TRIOMPHE

Actuaries Tackle Today's Big Issues

(CONTINUED FROM PAGE 1)

Informal discussion was divided among three principal topics "Incontestability in suicide provisions in life insurance contracts"; "Agency methods and home office practices affecting new business"; "Investments." There was no time for discussion of the American Men mortality table, which was listed on the program and this was deferred until the semi-annual meeting.

Absence of Disability Talk

There was some comment, especially among eastern members, about the absence of discussion of the disability topic. This may be explained partly by the limitation of time and also by the fact that the eastern companies seem more immediately concerned about the problem than do the western companies.

All officers, headed by Mr. Little, were reelected. The constitution and by-laws were changed to provide for two vice-presidents instead of one and Mr. Hohaus was named to fill the new position.

Members agreed that the entertainment provided by the Minnesota Mutual of St. Paul and the Northwestern National of Minneapolis was the best the institute has enjoyed. President O. J. Arnold of the Northwestern National was host at the Minneapolis Club the evening before the session started to the board of governors; the institute dinner was held at the delightful Lafayette Club on the shores of Lake Minnetonka and the third evening the members were guests at the Somerset Club.

Nine New Fellows Admitted

Nine new fellows were admitted to the institute since the last meeting and there were 19 new associates. There were three new contributing companies—the Atlas Life of Oklahoma City, Conservative Life of Indiana and Gulf States Life. Memorials were presented for the late F. E. Cann of the Pilot Life and the late J. B. McKechnie of the Manufacturers Life of Toronto.

Mr. Little's address was more or less in the nature of a challenge to the actuaries to devote thought to general conditions. "The more thinking that is done," he concluded, "the better the chance of arriving at a more satisfactory situation."

Mr. Little pointed out that there is no prosperity except in times of high production and that prosperity will not come again until production rises.

He declared that production in various lines is not properly interrelated. What is needed is organized production. The only country which has a plan of production, he pointed out, is Russia, which he declared has a plan for getting as much production as possible with a certain figure as a minimum. He observed certain difficulties in this plan, but he declared that no matter how serious the difficulties to the introduction of a plan, present conditions are intolerable. "It is absurd for a civilized people to have to put up with these difficulties that beset us," he said.

U. S. Government Might Help

Mr. Little suggested that the United States government might prepare statistics which would help industries to make a plan. All concerns in one line might arrange for production according to the government statistics. He observed, however, that there would be disturbing factors. For instance a system for making a safe autogyro on a cheap basis might be developed, which would upset any plan, or some automobile manufacturer might come out with a new auto, which would strike the fancy of the country and it would be unfair to hold this maker to his quota.

Another approach suggested by Mr. Little was some sort of regulation declaring that every employe should at least be provided with work at least one-half of the time. That, he said, would be a check to production and

Grasshopper Mind Not Needed in Agency Work

President C. F. Williams of the Western & Southern Life at the tri-state convention of Missouri, Illinois and Indiana agents at St. Louis declared that prosperity will return as soon as salesmen get busy and show the public that a dollar today buys more than ever before, whether it is life insurance or anything else. He said that the real salesman is in great demand and can command greater pay than any other period. He said that the man with a grasshopper mind, jumping from one position to another is useless in any business and is not worth considering. The employer, President Williams stated, must get results for money expended in the production of new business. He said that life insurance is a very definite business with a definite purpose. He declared that the management of life insurance is in the hands of men who are representing it truly and are protecting the rights of policyholders.

might induce caution in the expansion of business.

As to agriculture, Mr. Little pointed out that wheat and cotton, especially, are sold on a world market and the United States can't dominate the world price. Wheat and cotton farmers must dispose of their products in competition with the world. But, he pointed out, the farmer must buy his necessities at prices prevailing in the United States and this country has raised prices to a level higher than that in any other country.

Unless relief is afforded somewhere, Mr. Little declared, the growing of cotton and wheat will have to be reduced to a point where it is not exported. That means that farmers must give up farming, which they are doing, but he pointed out the difficulty of a person changing his line of work.

There have been various plans for subsidizing the farmer brought out, Mr. Little remarked. He said that some plan of subsidy must be taken into consideration. It is not enough to say that a bonus is un-American and let it go at that, he said. He warned, however, that the bonus should affect only the product of the farms which are consumed in the United States.

Status of Illinois Bills

Some Measures Will Likely Get Through the Present Session of the Legislature

The agents' qualification bill house bill No. 735 supported by the Illinois Association of Insurance Agents has been passed by the Illinois house and it is expected to be approved by the senate early next week. The brokers' license bill house bill No. 734 is on third reading in the house and will probably be passed this week. House bill 729 permitting life companies to invest in preferred securities of industrial corporations has passed the house and has been reported favorably by the senate insurance committee. House bill 1166 amends the mutual benefit association act placing more restrictions on this type of organization. It has passed the house and is reported favorably by the senate committee. House bill 724 requires the filing of reports of burial insurance societies with the insurance department.

The Little Gem Life Chart has the largest circulation of any small size life insurance reference book. Order at your company club rate from The National Underwriter.

"COATS OFF"!

You have a saying: "Hats off to the past, coats off to the future"; and to that I say, so ought it be. — Lord Ampthill.

We life underwriters, far back as we can remember, have always had our hats clamantly off to our business of life insurance. "The Greatest Thing in the World"! And we didn't hesitate to tell the world, and every other business, just what we thought of ourselves as its ministers. Well, life insurance was and is worth our exaltation and exultation.

But now "hats off" is not enough. "Coats off"! Sharper intelligence, closer industry. Then good business results. And it is not just talk to buoy their spirits when underwriters are told that the public today rates its life insurance higher than ever before. For in this time of fallen and still falling values and disappearing equities, the nation has found that life insurance is worth dollar for dollar its contract figures, with no failure to fulfill any of the features grouped within its policies.

THE PENN MUTUAL LIFE INSURANCE CO. PHILADELPHIA

WM. A. LAW, President

Independence Square

Founded 1847

LISSEN, BILL, don't do that—

In these Modern Days of bustling competition when critical and discerning prospects expect and demand Super-Salesmanship, believe us when we tell you that Racketeering is as unnecessary as it is unheard of where "OSLICO" contracts are by our Agents offered to Particular People.

—right now is *THE TIME*—

—here is *THE TERRITORY*:

California, Illinois, Indiana, Iowa, Kentucky, Michigan, Ohio, Oklahoma, Pennsylvania, Texas and West Virginia.

—and some of *THE TOOLS*:

Participating and Non-Participating—Standard, Substandard and Superstandard—Optional Coupon, Coupon Endowment and Coupon Whole Life—Life Income Endowment and Monthly Income Endowment—Juvenile Life and Educational Endowments—Joint Whole Life, 20 Payment Life and 20 Year Endowment—Automatic and Convertible Term—10, 15 and 20 Payment Life—10, 15, 20, 25 and 30 Year Endowments—Parent and Child Policies—Superior Protection Whole Life—Partnership Policies—Insured Savings—Special Group Policies—Life Expectancy, etc.

"Safe as a Government Bond"

THE OHIO STATE LIFE INSURANCE COMPANY Columbus, Ohio

LIFE

HEALTH

ACCIDENT



THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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Member Audit Bureau of Circulations

Lesson from Bond Issue

LIFE insurance men who say they are constantly met with the argument, "I would like to take it but I have no money," should take note of the fact that Secretary of the Treasury Mellon placed on the market \$800,000,000 of new government bonds at 3½ percent and subscriptions came pouring in to the extent of six billions. Granting the fact that some banks may have over-subscribed a certain percentage in order to secure their quota the fact remains that a tremendous amount of money is idle in this country awaiting proper investment.

A good life company is just about as safe as a government bond. The life companies have the choice investments in mortgages, bonds and basic securities of various kinds. These were bought for the most part at a time when prices were much lower than they are now. Interest rates guaranteed over a long period of years were provided on mortgages and bonds which could not be secured now. It ought to be comparatively easy to induce people with money to invest to buy life insurance in a good company in these times.

Breaking of the Moral Fiber

INSURANCE men of all classes cannot help but recognize the undermining of moral and intellectual fiber of many people during the financial crisis. Men have been called upon to face disaster and heavy loss. Men of great fortunes, holding high positions, found themselves confronted with forces they could not overcome. Many were driven here and there but no shelter could be found. They had their backs to the wall and the future personally seemed hopeless. One never knows what may happen under dire distress and when the foundations seem to be swept away. There is a breaking of the very supports of life, the stuff of which life is made.

The life and accident people have noted the results because of the increase in suicides, the infliction of self injury and the aggravation of physical disorders that have been dormant. The mortality has mounted. Malingering has increased. The surety, casualty and fire insurance folks have seen the effect of the onslaught through frauds of various kinds practiced on the companies in order to get insurance money. This has not been confined to the great and near great but often a man far down the line is vitally affected and he resorts to the unusual.

In the very great majority of cases these people are not criminally minded. At heart they desire to do the right thing.

They have been driven by despair to the end of the road and they ask themselves, "What's the use?" At such times where a man has dependents and obligations he feels that the insurance corporations have their millions and hence he is led to take advantage of them.

It is difficult to underwrite in cases of this kind. The physical hazard is in the background. It is the moral hazard that looms up. Underwriters undoubtedly have learned that over insurance of any kind is an incentive to fraud in time of stress. If a person feels that he is not much the gainer financially by committing a fraud on insurance companies, he will not resort to it. It is financial benefit that is the incentive to perversion. In a period like that through which we are passing at present, the ingenuity of the underwriter is needed. If the physical hazards alone had to be weighed, the underwriting task would be simple. Where the personal element enters so strongly as it does today the utmost vigilance is needed. It is conditions as we see them today that seem to force honest men to resort to dishonest acts for self preservation.

THE recipe for perpetual ignorance is to be satisfied with your opinions and contented with your knowledge.—Elbert Hubbard.

PERSONAL SIDE OF BUSINESS

There is talk of R. J. Merrill of Concord, N. H., who resigned as vice-president of the United Life & Accident of that city when it voted to reinsure in the Ohio National Life, being appointed insurance commissioner. The post has been vacant since John E. Sullivan resigned to become bank commissioner. Mr. Sullivan has been looking after both positions. Mr. Merrill was formerly insurance commissioner for three years.

Miss Hildegard Hillman, secretary to R. F. Lawton, manager of the Mutual Life of New York at New Orleans, died last week. Miss Hillman had been connected with the office for a number of years and found a little time in which to produce some business along with her secretarial duties. She left the office on the day of her death at the usual time and died that night from an attack of acute indigestion.

At the annual election of officers of the Advertising Club of New Orleans W. B. Wisdom, advertising manager of the Insurance Securities Company, was made vice-president. At the same time John W. Murphy of the Pan-American Life was elected a director. Both men are active in city and national advertising circles. Jointly they acted as hosts to the Insurance Advertising Conference southern regional meeting and provided a splendid meeting.

Wilbur L. Cross, governor of Connecticut, was the principal speaker at the Connecticut Mutual Life's anniversary convention, held at New London and Hartford, June 12. Governor Cross was formerly dean of the Yale graduate school.

Arthur Watt, formerly secretary and actuary of the Pilot Life of Greensboro, who has joined the home office force of the National Life of Vermont, is a graduate of Dalhousie University of Halifax. He is a Canadian by birth. He is a member of the Institute of Actuaries of London and the Actuarial Society of America. His son is a graduate of the University of North Carolina and recently entered life insurance.

J. W. Van Dusen who has been district manager for the Penn Mutual at Syracuse, and who has joined E. D. Cutler, general agent of the National Life of Vermont in that city as a partner, is a graduate of Syracuse University. He went with the Equitable of New York at Syracuse, rising to the position of assistant manager. In April, 1930, he entered the employ of the Penn Mutual and organized a unit at Syracuse, increasing the production from \$269,000 to \$1,500,000. He is 28 years of age.

Miss A. V. Bowyer, correspondent of THE NATIONAL UNDERWRITER and executive secretary of the San Francisco Life Underwriters Association, has been reappointed a member of the statewide street and highway committee of the California State Chamber of Commerce and the statewide women's participation committee of the state chamber. Miss Bowyer is also chairman of the insurance committee of the conference.

J. W. Sinton, Jr., secretary and actuary of the Atlantic Life, is the proud father of a daughter, Ellen Westwood Sinton. The stork also recently visited the home of George T. King, Jr., vice-president of Atlantic Life, general agent of the Atlantic for Virginia, bringing him a son, Edward M. King.

J. M. Miller, agency secretary of the Pacific States Life, was severely injured last week when struck by an automobile near the company's home office building in Hollywood. It was at first feared that Mr. Miller had suffered a

fractured skull but later it was found that his injuries were not so serious, consisting more of cuts and bruises about the head, face and body. It is expected he will be able to be removed to his apartment this week.

Women employees of the Southland Life of Dallas observed Cotton Week by wearing cotton dresses. They announced that they would go further and wear that kind of clothing throughout the summer.

President Harry Seay did his part by presenting one dress of cotton to each of the women employees, made from Texas cotton and sold by Dallas merchants.

W. Ray Chapman, assistant superintendent of agencies for the Northwestern Mutual Life, was one of the speakers at the alumni reunion banquet at West Virginia Wesleyan University last week. Mr. Chapman also assisted in the dedication of a new organ in the university chapel, singing a solo at the baccalaureate program.

C. R. Backus, assistant treasurer of the Columbus Mutual, is in Rochester, Minn., where he has submitted to two serious operations. He was visited last week by Carl Mitcheltree, actuary and secretary of the Columbus Mutual, who was in Minneapolis attending the annual meeting of the American Institute of Actuaries. Mr. Mitcheltree reported that Mr. Backus is staging a gratifying recovery.

C. N. McCloud, vice-president and medical director Minnesota Mutual Life, is scheduled to address the surgeons of the Great Northern Railway in session at Glacier National Park June 30.

P. A. DeLange of Sioux Falls, S. D., who had been manager of the Guardian Life for 18 years, died recently from the results of pneumonia. Superintendent of Agencies F. F. Weidenborner had visited his office a few days before and conferred as to future plans. He was on his way home when he was recalled by Mr. DeLange's death.

F. L. Barnes, vice-president of the Provident Life & Accident, is spending two weeks in Kansas City renewing old acquaintances and golfing.

Circuit Judge A. D. Nortoni has been elected president of the New England Society of St. Louis. Judge Nortoni is a vice-president of the Continental Life of St. Louis. He recently was appointed to the bench by Governor Caulfield.

C. Vivian Anderson of the Provident Mutual Life in Cincinnati has been elected president of the Central States Forest Research Council. It works in conjunction with the Central States Forest Experiment Station in Columbus, O. Mr. Anderson sponsored the establishment of that station some years ago in an effort to promote reforestation in that section. The central council covers Ohio, Kentucky, Indiana, Tennessee, Illinois, Iowa and Missouri.

The agents and staff of the Hintz-peter agency of the Mutual Life of New York in Chicago gave Manager H. C. Hintzpeter a birthday party at the Midland Club in celebration of his 57th birthday. It had been intended to present Mr. Hintzpeter 57 applications in honor of the event, but the agents got to going so well that they wrote 64 apps for \$287,000, one for \$100,000. Nathan H. Weiss, agent in the office, was toastmaster and made the presentation of the business. Speakers were C. A. Stone, David Schnitzer,

F. A. Martin, Theodore Waiss, agents, and Oscar Stoffels and A. F. Siebel, attorneys and personal friends of Mr. Hintzpeter. Those present gave him 57 roses as a token of the day. Mr. Hintzpeter is now on his 43rd year with the Mutual Life, having started May 1, 1889.

The Detroit Life has launched an intensive drive for business during June to honor President John A. Reynolds, who celebrates his first anniversary as head June 13. A trip to the National Association of Life Underwriters con-

vention in Pittsburgh will be the first prize for new business. Nineteen other prizes have been announced. Prizes will be awarded on a basis of the amount of premiums paid by August 10.

Word has been received of the death in Scotland of John Cathles, father of L. M. Cathles, president of the North American Reassurance. Mr. Cathles, Sr., had been in failing health for some time and L. M. Cathles went abroad a few weeks ago to see him. President Cathles is expected back about June 20.

LIFE AGENCY CHANGES

Patten Is General Agent Cunningham Now Manager

Well Known Aetna Life Assistant in Cincinnati Heads New Franklin Life Office

F. W. Patten, well-known in life insurance circles at Cincinnati, has been appointed general agent of a new agency of the Franklin Life there. He has had six years experience in the life business, all in Cincinnati. Mr. Patten has been cashier, supervisor and assistant general agent of the Aetna Life in Cincinnati. He spent a little over a year as a personal producer for the Aetna Life in which time he paid for a large volume of business. He is a graduate of the University of North Dakota. He took special work in business administration and education at the University of Illinois. He received his early sales training in the famous sales school of the National Cash Register Company at Dayton, O. Previous to this, Mr. Patten spent two years in teaching. He is one of the youngest general agents in the country, being 30 years of age. Offices of the Franklin Life are located at 2706 Carew Tower, Cincinnati.

Gordon S. Becker

G. S. Becker has been appointed manager of the Des Moines branch of the Central Life of Iowa. Mr. Becker will have charge of production in Polk, Greene, Boone, Story, Jasper, Dallas, Guthrie, Adair, Madison, Warren, Marion, Mahaska and Marshall counties. He plans to organize an agency force of 30 men in this territory, where the Central Life already has more than \$10,000,000 insurance in force.

Mr. Becker has been prominent in insurance work in Iowa for the past 10 years, first as a personal producer, later as assistant state manager for the Missouri State Life and as home office supervisor of the National Life U. S. A.

R. J. Breckenridge

R. J. Breckenridge, former manager of the Lexington, Ky., "Herald," has been appointed general agent of the Ohio State Life for the Blue Grass section of Kentucky.

H. A. Luckey

H. A. Luckey has been appointed branch manager at Indianapolis by the Life Insurance Company of Virginia. He began life insurance work there in 1924. Previously, he practiced law in Indianapolis for 13 years. He has also had experience in advertising work and in the stock and bond business. He is a past president of the Indianapolis Association of Life Underwriters.

C. A. Gustafson

The Peoria Life has appointed C. A. Gustafson of Marshalltown, Ia., district manager in charge of important Iowa territory, with headquarters at Marshalltown. He has been successfully engaged in insurance for a number of years. The appointment was made through E. B. Seidel, supervisor for Iowa.

Connecticut General Life Transfers Agency Assistant at Rochester to the Cincinnati Post

The Connecticut General Life has appointed W. E. Cunningham as manager at Cincinnati. He succeeds Barnett Kenimer, who has resigned.

Mr. Cunningham is a native of Caledonia, N. Y., and was educated at Colgate. His college course was interrupted by naval aviation service during the war, but he later returned to Colgate and was graduated in 1919. He took a prominent part in college athletics and was captain of the Colgate baseball team.

After a year at Suffield School as instructor and athletics coach, Mr. Cunningham spent three years in the educational department of the Travelers. For the next five years he was an agent in Rochester. He went to the Connecticut General as agency assistant in Rochester in November, 1928.

Emil R. Zenke

Emil R. Zenke, who has served as a field assistant in the Scranton, Pa., branch office of the Travelers, has been promoted to manager to succeed L. L. Stanberry, who has been appointed associate manager at Rochester, N. Y. Mr. Zenke has been with the Travelers since December, 1929, and a number of months prior to that time was in the insurance business as an agent.

Mr. Stanberry, who goes to Rochester, has been a resident of Scranton since 1926, when he became manager of that office. He has been in the insurance business ten years and since 1922 has been with the Travelers.

Parke Houston

Parke Houston has been appointed Texas supervisor for the Old Line Life of Milwaukee with headquarters at San Antonio. He is a past president of the Texas Association of Life Underwriters.

G. S. Becker

J. R. Regnas has been appointed branch manager for the Volunteer State Life in Atlanta. He has been identified with life insurance in Atlanta for many years, having resigned recently as Atlanta manager for the Missouri State.

Life Agency Notes

C. G. Price, who recently resigned as Little Rock, Ark., manager of the Union Central Life, has joined the Allen Gates agency there for the Penn Mutual Life.

William K. Mohn, former assistant superintendent at South Bend, Ind., has been placed in charge of the St. Louis West district of the Western & Southern Life.

The Western States Life has appointed Neil Flenner Seattle manager, with supervision over Spokane and eastern Washington. Mr. Flenner has been in the business for 31 years.

J. M. Stahl, for many years of the firm of Binder & Stahl, Portland, Ore., general agents for the Equitable of Iowa, has resigned and joined the Sun Life of Canada.

.....to successful agents who would like to increase their income.....



The Great Southern offers the opportunity you have been looking for. We pay liberal first year and exceptionally large renewal commissions, extending over a long period.

In addition, all agents' contracts are made DIRECT with the home office. This not only gives you full benefit of your earnings, but assures closer contact with the company and substantial, helpful home office cooperation.

The Great Southern is known favorably throughout the States in which it operates. During its twenty-two years of service it has rapidly advanced in prominence among life insurance companies of the United States.

The following facts are indicative of the Great Southern's strength, progressiveness and high rank among United States Life Insurance Companies:

1. Admitted Assets, more than.....	\$ 40,000,000.00
2. Legal Reserve Funds for the protection of Policyholders, more than.....	36,000,000.00
3. Capital and Surplus, constituting additional protection to policyholders, over and above legal requirements, more than.....	4,000,000.00
4. Insurance in Force, exclusive of accident insurance, more than.....	275,000,000.00
5. Accidental or Double Indemnity Benefit Insurance in Force, more than.....	90,000,000.00
6. Total Insurance in Force, life and accident, more than	365,000,000.00

GREAT SOUTHERN
LIFE INSURANCE COMPANY
E. P. GREENWOOD - PRESIDENT
HOUSTON TEXAS.

UNLIMITED OPPORTUNITIES



You will like our liberal first-year and renewal commission contract direct with the home office. It gives you the right to sell men, women, and children real protection on a low-cost participating or non-participating basis.

Just glance over this list:

Participating
Non-Participating
Sub-Standard
Preferred Risk
Pay-Roll Deduction
Monthly Premium

Policies for Women
Child's Educational
Juvenile Policies
6% Guaranteed
Income
Life Income
Age Limits:
1 Day to 65 Years

Modified Life
Low Cost Term
Double Indemnity
Disability Income
Premium Waiver
Retirement
Income

Ask for further information

JEFFERSON STANDARD LIFE INSURANCE COMPANY

JULIAN PRICE
President

GREENSBORO
North Carolina

MORE THAN 370 MILLIONS IN FORCE

EASTERN STATES ACTIVITIES

Good Results From Classes

Notable Educational Work Done by
York Agency of Equitable in
New York City

Future possibilities in educational work among life underwriters and trust men in their common problems are shown by the success of the weekly classes being conducted at the York agency of the Equitable Life in New York City by A. H. Rutgers of the trust department of the Chatham-Phenix National Bank & Trust Company.

The present school is an experiment, but one which has been successful from the start. There is an attendance of about 60 at each of the sessions, which take place Monday afternoons.

Mr. Rutgers attacks life insurance selling from the business approach whether the contemplated coverage is intended for strictly business or not. He uses various text-books and services, such as L. G. Simon's book on business insurance and the "Diamond Life Bulletins." He has found a widespread need of and desire for enlightenment among agents. While there are many who are not in a position to make use of advanced technical knowledge in the writing of large cases and particularly in arranging life insurance trust agreements, there are many who need instruction if only to know what they should not attempt but should leave to the assistance of a lawyer or trust officer whom they are working with, Mr. Rutgers finds.

It is probable that the success of the

present experiment will result in the establishment of a similar school there for life agents generally with an enrollment of about 200.

Mr. Rutgers has been much in demand as a speaker not only in New York but in other cities as well.

Rochester Life Sales

April life insurance paid for sales in the Rochester, N. Y., district were the largest placed during any month thus far this year. Twenty-seven offices reporting indicate a volume of \$5,305,217, a 13 percent gain over March and a 13 percent decline from April, 1930. Compared with April, 1930, ten of the offices reported gains. Buffalo life insurance sales for April were \$8,528,154, a 15 percent decline from March and a 17 percent decline from April, 1930. Four months' totals for Rochester were off 18.5 percent, whereas Buffalo life insurance paid for declined 6.5 percent.

Mutual Life Men at Wheeling

Fifty representatives of the Mutual Life of New York attended the West Virginia Field Club conference at Wheeling. President H. F. Benn, Charleston, presided. The principal speaker at the banquet was H. A. Bennell of Pittsburgh, on "Investment Values in Life Insurance." J. H. Williams of Welch was elected president and 14 district vice-presidents were named.

L. G. Schram, well known Middletown, O., insurance man, has taken a responsible position in the home office of the Western & Southern Life.

CENTRAL WESTERN STATES

May Production Is Better

Many Chicago Agencies Report Increases in Volume Following Four Months of Slack Sales

Business looked up considerably in Chicago in May, which was just as well for many offices were behind in comparison with last year. In fact, it is probable that with most offices it will require the usual seasonal increased business of the last half year to offset decreased production in the first half and make it possible to show increases.

Stumes & Loeb, general agents Penn Mutual, report \$6,250,000 paid for up to June 1. Lapses and surrenders in this agency are much improved.

H. C. Hintzpeter, manager Mutual Life of New York, also had an excellent month in May, being well ahead of quota.

Other offices which reported business improved in the month were the Aetna Life general agency of S. T. Whatley; Home Life of New York under Manager S. C. Woodard; the Penn Mutual general agency of Alexander E. Patterson.

The central department of the New York Life was more than \$2,000,000 ahead in May over the corresponding month a year ago.

The Equitable Life of New York reports a substantial increase in the Chicago agencies for May.

Peoria Managers Elect

At the annual meeting of the Peoria Life Insurance Managers Association C. W. Freudenthal, Connecticut General, was elected president; R. R. Sharp, Pacific Mutual, vice-president, and Spafford Orwig, Home Life, secretary. L. C. Schriver, Aetna Life, has been president during the last year.

Wisconsin Life-Trust Law

Governor Signs Bill Giving Legal Status to Trustee Named as Beneficiary

Life insurance may be made payable to a trustee to be named as beneficiary in the policy, and the proceeds shall be paid to the trustee and be held and disposed of by the trustee as provided in a trust agreement or declaration of trust made by the insured during his lifetime, according to a bill passed by the Wisconsin legislature and signed by Governor La Follette.

The fact that the insured may reserve or have the right to borrow on the policy or to surrender it shall not affect the validity of any such trust further than the amounts so borrowed or withdrawn are involved, and the remainder due at the death of insured shall go to the trustee to be handled and administered in accordance with the trust provisions.

Group life insurance policies may be taken out by labor unions for their members, or by any association of public employees, another new Wisconsin law provides. Union members may be covered under a policy issued to the organization, the premium paid by the organization, or by it and its members, provided that all members may be insured, and that when the premium is to be paid by the organization and its members jointly, and the benefits are offered to all eligible members, not less than 75 percent of the members may be insured.

Establishes Legal Status

Few states have laws specifically authorizing trustees to be named beneficiaries under life insurance, or to administer it, chiefly because they may so act without a special act. However,

Forceful Messages THAT TRANSLATE LIFE INSURANCE into terms of GUARANTEED PROSPERITY



Especially prepared for the exclusive use of representatives of the

**AMERICAN CENTRAL
LIFE INSURANCE COMPANY**
INDIANAPOLIS

"Guaranteed
Benefits

HERBERT M. WOOLLEN
President

Guaranteed
Low Cost"

companies for some time have debated many matters concerning life trusts, and one moot point has been whether a trustee could perform any act affecting the insurance without presenting a copy of the trust agreement. The new Wisconsin law also, it is believed, is intended to secure life insurance trusts against claims under federal bankruptcy proceedings, as in many jurisdictions, it is said, the cash value in a policy can be subject to such claims, lacking state law.

E. A. Crane's Agency Meeting

The E. A. Crane Indianapolis agency of the Northwestern Mutual Life held in agents meeting Friday. As guests of Mr. Crane, 32 agents attended which was of especial interest due to the fact that A. E. Baker of the agency had originated a plan for stimulating production during May. This plan resulted in May being the second largest month the agency had had. The written business totaled \$1,220,000 and paid \$755,500.

The subject of "Life Insurance Selling Today and Yesterday" was handled by F. V. Mills; "Consistent Prospecting and Business," by Bob Littell, W. G. Batt and Harry Holtman; "Special Retirement Endowment and Its Appeal under the Present Conditions" was assigned to Carl McGann, Eph Levin and M. L. Zerkel; "Life Insurance Sales in a Depression Year" to C. W. Albright; "Results of the Campaign and Where Do We Go From Here" by A. E. Baker.

It was the unanimous opinion of the agents that they continue this campaign for June prior to their attendance at the convention which is to be held in July at the home office.

Old Timer Comes Back Strong

The Provident Mutual Life agency at Grand Rapids, Mich., under Ned Bomers has taken new offices at 805 Grand Rapids Trust Company building.

Mr. Bomers is an old time insurance man, having been formerly with the old Germania Life and later with the Illinois Life, where he made an excellent record as a personal producer. He has been with the Provident a year and a half and has been appointed manager at Grand Rapids.

Hobart Agent Honored

For the second consecutive month the Great States Life of Bloomington, Ill., has had an agent whose production exceeded \$100,000 of new business for the current month. The latest initiate to its C. M. Club is J. L. Barnes of Hobart, Ind., who produced \$101,000 in 36 applications during May. Special recognition of this feat was given Mr. Barnes at a dinner which was attended by the agency force and managing personnel of the Great States. Mr. Barnes was presented with an appropriately engraved watch in honor of his success. Last month's member of the C. M. Club was L. S. Watson of Colfax, Ill.

Heifetz Agency the Winner

The Samuel Heifetz agency of the Mutual Life of New York in Chicago leads the Milwaukee agency in number of qualifiers to the company's \$250,000 Field Club convention, held this week at Colorado Springs. Last year the Heifetz agency challenged the Milwaukee agency as to the largest number of qualified field club delegates to the convention. Manager G. T. Vermillion of the Milwaukee agency accepted the challenge. It was agreed that the defeated agency would entertain at a one-day outing at the Delavan Country Club, Delavan, Wis. The Milwaukee agency will act as host to the Heifetz agency. The outing is scheduled for July 11.

Honor Agency's Record

Hodgkinson & Durfee, well known Chicago local agency and general agents for the Continental Assurance of Chicago, were the guests of the company at a get-together dinner. The dinner was

given 25 full-time agents in the agency's life department and members of the firm, marking the fine record accomplished in the first five months in exceeding the year's quota in four months. D. F. Moore, who became manager of the life department when the agency was appointed general agent for the Continental Assurance Jan. 1, started with six men and has now under contract 35, of whom 25 are full-time. Mr. Moore is well known in life insurance and is highly regarded as an agency organizer.

Company Conventions in Lansing

Three companies, the Central Life, Mutual Life of New York and Ohio National Life, held agency meetings in Lansing, Mich., at the end of last week.

W. D. Byrum, Lansing, former superintendent of agencies for the Grange Life of Lansing, which merged with the Michigan Life, Detroit, was in charge of the Central Life meeting as state manager. C. W. Otto, secretary of the Lansing Chamber of Commerce, was a speaker. The Mutual Life meeting attracted 43 agents from this section of the state. It was the regular monthly meeting of the Grand Rapids district, with H. Wibirt Spence, district man-

ager, presiding; Richard Amerson, Lansing representative, presided at the luncheon. The Ohio National rally, a state meeting, was in charge of N. E. Glassbrook, resident superintendent of agencies. E. E. Kirkpatrick, superintendent of agencies from the home office, Cincinnati, presided at the main session.

Wisconsin Bill Vetoes

MADISON, WIS., June 10.—Governor La Follette has vetoed the bill which permits cancellation for a period of six months to three years of agents' licenses if they withhold applications for policies or convert to their own use premiums paid by policyholders or premiums to be paid back to policyholders. Since such withholding of funds constitutes embezzlement, Governor La Follette believed the additional penalty too severe.

Central Notes

F. F. Ulrich of the Grand Rapids, Mich., agency of the Mutual Benefit Life has returned home from the Pacific Coast after his recent illness.

C. A. Webb, Traverse City representative for the Mutual Benefit Life, has received the veterans badge for concluding 20 years of service.

IN THE MISSOURI VALLEY

Hit Stock-with-Policy Plan

South Dakota Life Underwriters Plan to Conduct House-to-House Canvass in Fight Against It

The Life Underwriters Association of Watertown, S. D., and the Watertown district at a meeting in Watertown voted to carry the association's fight against "stock-with-policy" companies direct to the people of South Dakota. Members of the organization will make a house-to-house and farm-to-farm canvass to warn everyone against stock-with-policy system of purchasing life insurance.

In recent months the Watertown district association has been using joint newspaper advertising against such companies very successfully, and the campaign of education will now be broadened to carry the message direct to the homes.

W. P. Coler, secretary and actuary of the American Life Convention, addressed the Watertown meeting, discussing "Life Insurance Opportunities in 1931." He showed the advantages of the life insurance method of providing for old age and guarding against want in early life as compared with some of the socialistic schemes for relief that have been advanced during the present depression.

Mr. Coler is visiting life insurance companies in the northwest that are members of the American Life Convention. From Watertown he went to Bismarck, S. D., and later plans to visit Milwaukee, Madison and Oshkosh, Wis.

Equitable of New York's Progress

The Iowa state agency of the Equitable Life of New York under Manager M. C. Nelson is giving a good account of itself. For the first five months it was \$575,782 ahead of its allotment in paid volume and \$40,401 of the allotment in paid premiums. The allotment for 1931 is \$1,000,000 greater than 1930. It is now ahead \$1,559,000 in written volume. Conditions in Iowa are not the best. However, Manager Nelson and his men are working hard and the results are forthcoming.

Northwestern Mutual Meeting

Thirty-five agents of the Northwestern Mutual Life gathered in Fargo, N. D., last week to discuss underwriting problems under direction of E. F. Au-

man, general agent for North Dakota. Special recognition for having written and paid for \$315,000 insurance the first five months this year was given W. W. Fuller of Fargo, agent, who also won the handicap contest conducted by the agency.

Smith Takes Fraternal Post

C. A. Smith, vice-president of the Tilden National Bank, Tilden, Neb., has been appointed chief secretary of the Royal Highlanders, Nebraska fraternal, and has removed to Lincoln to take up the duties of the late F. J. Sharp, chief secretary from its beginning.

Southern States Local News

Issue on Premiums Reviewed

North Carolina Supreme Court Rules on Question of Agent Collecting Advance Charges

The Equitable Life of New York was victor in a suit before the North Carolina supreme court in which claim was made for premiums collected by an agent but not turned in to the company.

The agent had collected five years' premium in advance but had given the applicant a receipt for only the first annual premium. He did not turn in the application or the premium.

The supreme court ruled that the claimant was entitled to recover only one year's premium because the claimant knew the agent's authority was limited to the collection of only first year's premium and because the receipt stated that it should not be detached "unless the first annual premium is collected."

All-States Enters Florida

The All-States Life of Montgomery, Ala., has entered Florida. R. A. Craighead, superintendent of agents, and C. H. Baker, inspector of agents, are organizing the state. Mr. Baker will be in charge for the present with headquarters at Jacksonville.

Produce for J. A. Hennessey

The agency force of the Stonewall Life of Vicksburg, Miss., is making a

"Lucky Dog" Agent Is Guest of His Company

S. S. Nesbit, American Central Life agent in Seattle, Wash., had a good laugh on his company at the "Field Club" convention in the new home office in Indianapolis. He was selected by lot to attend the convention, and thus did not have to qualify. Also, he was located geographically at the company's most distant agency, thus entailing the maximum of expense to the company in paying for his trip. He was introduced as the "Lucky Dog." He had planned to start from home on a certain train, but changed his mind and boarded a later one. The first train was wrecked en route by a tornado. The drawing in which Mr. Nesbit was selected was done by H. G. Walton, actuary Indiana insurance department.

special production drive this month for President John A. Hennessey. A goal of \$1,000,000 for June has been set by the company. Cash prizes, a loving cup and other rewards will be paid to leaders in production. Also the agents are making a last minute drive during June and July to qualify for the company's agency convention in Gulfport in August.

At the annual meeting of the Stonewall Life, all officials were reelected.

Form Fraternal Congress

The Kentucky Fraternal Congress was organized at a meeting in Louisville with E. H. Palmer, Lexington, state manager Maccabees, as president; Mrs. Margaret G. Meadows, Woodmen Circle, first vice-president; William Ayer, Louisville, Junior Order United American Mechanics, second vice-president, and E. W. Totten, Louisville, Royal Arcanum, secretary-treasurer.

Jefferson Standard Meeting

GREENSBORO, N. C., June 11.—An agency sales and conservation conference was held last week by the Jefferson Standard Life for 50 home office agency representatives. W. R. Taylor, dramatics professor at the state college for women, presented the prospect's viewpoint of the insurance salesman's manner and manners. Karl Ljung, head of conservation, and W. H. Andrews, Jr., agency manager, presided.

Florida Qualification Act

Senate bill 170 passed by the Florida legislature defining insurance agents as persons selling policies exclusively on a commission basis is before Governor Carlton for signature. The fee is \$6 a year for a license, the proceeds to go to the agents' qualification fund. Examination of applicant is provided.

Southern Notes

The Federal Life, Chicago, has established a district office in Greensboro, N. C., with C. E. Chappell as manager, to specialize in noncancellable health and accident insurance in addition to life insurance.

Twenty representatives of the N. B. Westgate Agency of the Lincoln National Life at Little Rock, celebrated the successful ending of a contest for \$1,000,000 new written business, with a dinner June 6. Leo Porter, home office supervisor, was a guest and gave a talk.

Westgate Goes to Home Office

Grant Westgate has been appointed supervisor in the agency department of the Ohio National Life at its home office. He is a graduate of the University of Pennsylvania and has been in life insurance work since 1925. He joined H. B. Freeman of Kalamazoo, Mich., in 1930, being general agents of the Ohio National under the firm name of Westgate & Freeman. Mr. Freeman will carry on the agency.

An UNUSUAL CONTRACT will be offered to An UNUSUAL MAN

WHO:

- is a producer
- can organize
- is, of course, honest
- has three years of experience
- is seeking opportunity
- will WORK
- needs no financing
- needs no drawing account or salary
- needs no office expense

BUT

WHO:

will accept Home Office help in the appointment of new Agents under him for whom he will not be responsible financially and yet on whom he will receive overwriting Commissions as high as \$4 per thousand and long time Renewals

THE COMPANY

It is rated "A" by Best

Its rates for Insurance are extremely low
(Age 35 Ordinary Life Net Cost
First year per thousand \$17.85)

It writes all latest forms—Participating only—including an improved Family Income form; also Juvenile

Has over \$135,000,000 in force.

TERRITORY

The Company desires especially to develop Indiana, Illinois, North Carolina and Texas.

ASSISTANCE

Experienced field men to help the man selected to build a real agency in which the Renewals are NON-FORFEITABLE.

UNLESS

You have no present connection, or you have a real reason for leaving your present connection and are not at fault yourself, we are not interested. Write fully about yourself. We will not communicate with references until after interview. Write S-32, The National Underwriter.

WE WANT AN UNUSUAL MAN

THE FORMULA OF SUCCESS

LIFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

THE MUTUAL LIFE OF NEW YORK, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Disability and Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

The Mutual Life Insurance Company of New York

34 Nassau Street

New York, N. Y.

DAVID F. HOUSTON
President

GEORGE K. SARGENT
2nd Vice-President and
Manager of Agencies

Retirement Income
Plans
Family Income Plans
Annuities Endowments
Business
Insurance
Investment Insurance
A policy to fit every life insurance need.
**THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY**

FORT WAYNE, INDIANA

PACIFIC COAST AND MOUNTAIN

"Cy" Drew Honored at Denver

Banquet Given to Congratulate Editor of the New "Western Underwriter" by Managers

DENVER, June 11.—An elegant 24-jeweled watch was presented to Cyrus K. Drew, publisher, by life managers and general agents at a banquet given in his honor Tuesday last week. The dinner was given to congratulate Mr. Drew upon his enlarged activities as editor of the new "Western Underwriter," a consolidation of his paper, "The Insurance Report," and the "Pacific Underwriter," owned by THE NATIONAL UNDERWRITER.

An interesting clipping, "Thirty Years Ago Today," from the Louisville "Times" was read by Chapman Young. According to this report Mr. Drew, Mr. Young and G. M. Lovelace, New York Life, all Louisville young men at that time, helped to form the cast in a comedy presented by the Louisville dramatic club to a capacity house in the Macauley theater. Mr. Drew was then a member of the "Insurance Field" staff. In responding to the toastmaster, J. C. Burger, president American Life, Mr. Drew related incidents of a meeting of the old Denver Life Association which he attended in 1897; also a meeting in 1902 of the Colorado Association of Life Underwriters, organized by him. The "Western Underwriter" will specialize in the Pacific Coast and Mountain fields on both fire and life business. Although Mr. Drew will live in San Francisco, he will spend much time in Denver.

Frank Jennings Seriously Ill

SALT LAKE CITY, June 11.—Frank Jennings, former president of the Jennings-Knowlton Agency, is reported to be seriously ill at his home here. Mr. Jennings was a prominent figure in insurance circles in Salt Lake City for over 15 years until he sold his interest in his agency a few years ago. He has been active in the Utah Association of Insurance Agents and served for many years as a member of the Utah state committee.

Hardin Holds Denver Meeting

John R. Hardin, president Mutual Benefit Life, attended a conference of the Colorado-Wyoming agency, headed by W. R. Wilkerson, general agent, last week. He was accompanied by Oliver Thurman, vice-president and superintendent of agencies, and W. H. Beers, educational director. At the conference it

was announced the agency had exceeded its recent seven weeks' quota by delivering 166 applications for \$450,000 of business.

Western States Life Makes Appointments in Washington

The Western States Life announces that Neil Flenner has been appointed agency manager at Seattle with general supervision over agencies in that section. He was born in Hamilton, O., and started as an office boy with the New York Life. He was an agent of the Equitable of New York for seven years and then became general agent for the Canada Life. For 16 years he has been Spokane general agent for the Aetna Life. Tom Z. Warner has been appointed assistant agency manager of the Inland Empire Agency with headquarters at Spokane. He has been in insurance there since 1918. He became agency organizer of the Western States at Spokane three years ago.

Reichgott on Coast

Henry Reichgott, vice-president Missouri State Life, is in Los Angeles this week on a visit to Roy Denny, Los Angeles branch manager. A banquet was given by Mr. Denny in Mr. Reichgott's honor Monday evening.

Mr. Denny has recently moved his offices from the 9th to the 12th floor of the Edwards Wilbey building, taking 50 percent additional space.

At the end of the week Mr. Reichgott will go to San Francisco for a visit with H. V. Montgomery, manager.

San Francisco Managers' Slate

Two slates have been announced by the nominating committee for the annual meeting of the General Agents & Managers Association, San Francisco: For president, H. H. Harding, Connecticut General, and D. E. Mooney, Peoria Life; vice-president, O. C. Le Bart, New England Mutual and W. R. Spinney, State Mutual Life; secretary, R. E. Orth, Home Life, and G. F. McKenna, Penn Mutual Life.

Spokane Goal Passed

SPOKANE, WASH., June 11.—Spokane life insurance men wrote \$6,441,880 of new life insurance in May, according to J. J. Schiffner, campaign general. A goal was set of \$4,000,000 of new business in May. Four hundred salesmen were engaged in the campaign and each had a quota of \$10,000. The actual production was \$16,604 per man.

ACCIDENT AND HEALTH FIELD

Industrial Insurers to Meet

Annual Gathering to Be Held at Asheville, N. C., Sept. 16-18, Executive Committee Decides

ATLANTA, June 10.—The annual meeting of the Industrial Insurers Conference will be held Sept. 16-18 in Asheville, N. C., with the Grove Park Inn as headquarters, it was announced following a meeting of the executive committee here last week.

Aside from determining the dates for the annual meeting the program for the executive meeting was informal and no matters of outstanding importance were discussed. There was a full attendance, including G. R. Kendall, Washington National, Chicago, president of the conference; R. H. Dobbs,

chairman, Industrial Life & Health, Atlanta; G. W. Munford, Home Security Life, Durham, N. C.; E. T. Burr, Durham Life, Raleigh, N. C.; C. A. Craig, National Life & Accident, Nashville; P. M. Estes, Life & Casualty, Nashville; W. R. Lathrop, Southern Life & Health, Birmingham; P. W. Jones, Bankers Life & Health, Macon, and J. R. Leal, Interstate Life & Accident, Chattanooga.

Western & Southern Meeting

C. F. Williams, president Western & Southern Life, in addressing the tri-state convention of that company at St. Louis, told of the part life insurance has played in carrying this country through the present general depression. About 350 agents from Missouri, Illinois and Indiana attended. H. Thomas Head, superintendent of agencies, also spoke.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and April respectively. PRICE, \$4.00 and \$2.00 respectively.

John Hancock Mutual Life

The John Hancock Mutual Life has revised its rates on all its policies. The rates are given below on all the popular contracts based on \$1,000 policies except in the case of the preferred risk whole life for which rates on a \$5,000 policy are given. The rates below are for regular contracts without disability or double indemnity, for which there is a slight extra charge.

Age	End. at 85	30 Pay Life	25 Pay Life	20 Pay Life	10 Yr. End.	20 Yr. End.	End. at 60	End. at 65	10 Term	Pref. Risk
20.....	16.63	\$ 20.03	\$ 21.87	\$ 24.76	\$ 98.87	\$ 45.31	\$ 21.37	\$ 19.35	\$ 10.12	\$ 77.50
21.....	16.99	20.36	22.24	25.17	98.93	45.38	22.03	19.88	10.21	79.20
22.....	17.37	20.72	22.61	25.59	98.99	45.47	22.72	20.44	10.31	80.95
23.....	17.78	21.09	23.00	26.03	99.06	45.56	23.46	21.02	10.42	82.85
24.....	18.20	21.48	23.42	26.49	99.13	45.65	24.24	21.65	10.54	84.80
25.....	18.64	21.88	23.85	26.97	99.20	45.74	25.08	22.30	10.66	86.85
26.....	19.11	22.31	24.29	27.46	99.28	45.84	25.98	23.00	10.79	88.90
27.....	19.60	22.74	24.76	27.97	99.37	45.96	26.92	23.74	10.93	91.30
28.....	20.12	23.20	25.25	28.51	99.46	46.08	27.95	24.52	11.09	93.65
29.....	20.66	23.69	25.75	29.06	99.56	46.22	29.04	25.37	11.24	96.20
30.....	21.23	24.19	26.29	29.64	99.67	46.37	30.21	26.25	11.43	98.85
31.....	21.84	24.73	26.84	30.26	99.77	46.53	31.46	27.20	11.62	101.65
32.....	22.48	25.29	27.42	30.88	99.90	46.70	32.83	28.22	11.83	104.60
33.....	23.15	25.89	28.03	31.54	100.02	46.88	34.29	29.31	12.05	107.70
34.....	23.85	26.51	28.67	32.23	100.17	47.10	35.88	30.46	12.30	111.00
35.....	24.60	27.17	29.34	32.95	100.32	47.32	37.59	31.72	12.57	114.50
36.....	25.40	27.86	30.05	33.71	100.49	47.57	39.46	33.05	12.87	118.15
37.....	26.25	28.60	30.79	34.49	100.67	47.85	41.49	34.50	13.20	122.00
38.....	27.18	29.37	31.57	35.31	100.87	48.16	43.73	36.06	13.56	126.15
39.....	28.08	30.20	32.48	36.18	101.08	48.50	46.18	37.74	13.95	130.55
40.....	29.07	31.07	33.26	37.10	101.32	48.88	48.88	39.56	14.41	135.15
41.....	30.14	32.01	34.20	38.05	101.57	49.30	51.87	41.55	14.90	140.05
42.....	31.27	33.00	35.18	39.07	101.86	49.77	55.20	43.70	15.46	145.25
43.....	32.45	34.07	36.23	40.14	102.18	50.29	58.92	46.07	16.09	150.80
44.....	33.76	35.20	37.34	41.27	102.54	50.88	63.11	48.66	16.79	156.75
45.....	35.12	36.42	38.52	42.46	102.93	51.52	67.87	51.52	17.58	163.00
46.....	36.57	37.72	39.78	43.72	103.39	52.23	73.29	54.67	18.47	169.70
47.....	38.12	39.12	41.12	45.07	103.88	53.03	79.55	58.17	19.46	176.80
48.....	39.77	40.61	42.56	46.50	104.43	53.92	86.85	62.09	20.55	184.40
49.....	41.54	42.23	43.11	48.02	105.05	54.91	95.44	66.48	21.78	192.50
50.....	43.42	43.94	45.76	49.63	105.74	56.00	105.74	71.45	23.13	201.20
51.....	45.44	.....	47.53	51.35	106.50	57.21	.....	77.09	24.62	210.40
52.....	47.57	.....	49.42	53.18	107.34	58.53	.....	83.56	26.27	220.15
53.....	49.87	.....	51.45	55.12	108.26	60.00	.....	91.08	28.08	230.65
54.....	52.31	.....	53.62	57.21	109.30	61.62	.....	99.91	30.08	241.85
55.....	54.92	.....	55.96	59.44	110.43	63.41	.....	110.43	32.29	253.75
56.....	57.72	.....	.....	61.85	111.68	.....	.....	.....	34.71	266.45
57.....	60.72	.....	.....	64.41	113.06	.....	.....	.....	37.37	280.10
58.....	66.92	.....	.....	67.16	114.59	.....	.....	.....	40.29	294.55
59.....	67.36	.....	.....	70.12	116.27	.....	.....	.....	43.50	310.15
60.....	71.05	.....	.....	73.31	.....	.....	.....	.....	47.01	326.75

NEWS OF LIFE ASSOCIATIONS

Mental Hazard Is Serious

T. W. Callahan of the John Hancock Details Ten Factors Needed in Life Salesmen

T. W. Callahan from the home office of the John Hancock Mutual in speaking before the Charleston, W. Va., life underwriters stated that mental hazard is the most serious factor in present economic conditions. He declared that the United States never has failed and it will not fail now. People are rushing to the savings banks and hoarding their money. He declared that the people at large are turning to safe investments. Mr. Callahan said there are ten qualities inherent in every successful life insurance salesman:

"First, persistency; second, do the thing you dream of doing, you must imagine success before you attain it; third, plan your steps; fourth, do one hard task daily; fifth, believe in yourself, have confidence; sixth, don't expect too much, the road is hot, long and tiresome; seven, disregard discouragements and carry on, even if without a word of praise or cheer; eighth, don't interfere with others; you have enough to do to make a success of your own life; ninth, don't have an ill-humored disposition, and tenth, be cheerful, no one will ever know how much has been accomplished by the slim margin of a smile."

Vermilion County, Ill.—The Vermilion County association, with its June meeting Saturday night at Danville, concluded its regular sessions until September. Cecil Lawill, delegate to the Chicago state convention, reported on that meeting.

Young Speaks at Los Angeles

Over 300 Attend Luncheon—President Denny Asks Cooperation in Forcing Qualification Law

LOS ANGELES, June 11.—An attendance of over 300 members and guests marked the June luncheon meeting of the Life Underwriters' Association of Los Angeles, the drawing card being Vash Young of New York, million dollar Equitable Life of New York producer.

Mr. Young talked on "A Fortune to Share," and in the course of his remarks said: "All that I do in this business is to sell money on the installment plan. I go in to see a man and ask him if he has all the money he wants or needs to have, and I simply show him a convenient way to buy some more money on the installment plan."

In concluding his talk Mr. Young remarked: "I invite the Life Underwriters Association of Los Angeles and its individual members to draw up two platforms, one showing the business practices which if engaged in are bound to ruin any life underwriter if he just keeps on doing them long enough. Get that drawn up. Put down all the negative things that will make for failure. Then have another platform showing the business practices which, if engaged in day after day, are bound to make any life underwriter successful. When these are drawn up I would have them published in your local publication. Have them printed and hung in every life insurance office in Los Angeles. Have them act as two guides, either to success or failure. Some morning when



Give Your Clients The Best and Newest Accident Insurance

Considering the cost of hospital care, nursing, doctors, etc., should anyone be without the kind of accident insurance that pays all these bills up to a comfortably adequate sum?

Our new reimbursement accident insurance meets the situation existing today. Besides paying expenses it pays for loss of time, for loss of life, limbs or sight, etc.

Rates less than you would think. Inquire of our local office or write to

**Connecticut General
Life Insurance Company**
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AMERICAN NATIONAL INSURANCE COMPANY

HOME OFFICE:
GALVESTON, TEXAS

Assets \$43,535,337.85
Surplus 6,100,953.69

We Have Openings for Live Men in

Kansas Minnesota Texas
Kentucky North Carolina West Virginia
Michigan South Carolina

Under Direct Home Office Contracts

ORDINARY—INDUSTRIAL GROUP—HEALTH AND ACCIDENT

Liberal First Year and Renewal Commissions
Up to Date Policies—Non Medical—Group and Special Low
Premium Plans Offering New and Attractive Features.

If Interested Address

AMERICAN NATIONAL INSURANCE CO.
GALVESTON, TEXAS

SUPERINTENDENT OF AGENTS POSITION

Open for man with experience and proper training.

Age 30 to 45 years preferred—Company situated in Central States with \$30,000,000.00 in force and plenty of good territory undeveloped.

This is a splendid opportunity for a man who **likes to work and wants to work**, who can get agents and then work with them successfully.

Address your inquiry to **T-64**, The National Underwriter.

Rockford Life Has A Message for You

President F. L. BROWN
ROCKFORD LIFE INSURANCE CO.
ROCKFORD, ILLINOIS

DEAR SIR:—

SEND ME THE MESSAGE

NAME _____ ADDRESS _____ CITY _____ STATE _____

IT CONCERNS
GENERAL
AGENCIES

ARE YOU AWAKE TO OPPORTUNITY

Life Insurance Men of Vision Know That the Greatest Opportunity

Is with the Company That Is

NOT TOO LARGE
NOT TOO SMALL

NOT TOO OLD
NOT TOO YOUNG

The Solid Growing Company Officered by Men Who Are Agency Minded

WE HAVE THE TOOLS

Participating and Non-Participating Policies—Men and Women on Equal Terms—Total Disability and Double Indemnity

Circularization Aids—Supervisor's Help—Direct Contracts, Human Relations, Liberal Contracts and Special Producer's Clubs

If You Are Ready for a General Agency There Is Desirable Territory Open in IOWA—NEBRASKA—MINNESOTA—AND SOUTH DAKOTA

THE OLD LINE**CEDAR RAPIDS LIFE INSURANCE COMPANY**

Jay G. Sigmund—Vice-Pres. & Agency Director
COL. C. B. ROBBINS, Pres. CEDAR RAPIDS, IOWA C. B. SVOBODA, Secy.

SERVICE LIFE INSURANCE COMPANY

Exceedingly liberal contracts are offered to reputable and responsible agents. An unusual agency proposition is extended in districts where the company is not now represented.

For information write
B. R. BAYS, President
JOHN L. OESCHGER,
Secretary-Treasurer

Home Office: **LINCOLN, NEBRASKA**

you are in a quandary as to just what to do, look at your platforms and see if you can find on your success platform just the thing you are doing, and if you cannot find it then change your methods. Getting along in life is that we simply reap what we sow. Everybody in this room would like to reap a million dollar production, a better home, more comfortable circumstances, and so on. I say to you that you will never reap those things if during precious hours you are fiddling around, worrying about business and so on. You have got to use the kind of business methods that will reap for you the harvest you would like to have."

During the luncheon President Roy Denny referred briefly to the recent addition to the blue sky law of California which provides that "insurance counselors," or "advisers," must obtain a license before engaging in business, and earnestly urged the co-operation of the life underwriters with the corporation commissioner in seeing to it that this provision of the law is enforced by reporting to the association any cases of which they may gain knowledge wherein the law is not being observed.

Chicago—A double header is promised for the June meeting of the Chicago association, June 16, at the Hotel Sherman. In addition to the annual election and the business meeting, Edward M. Deane of the Aetna Life at Grand Rapids, who paid for more than \$14,000,000 in 1930 will talk on "My Plan for Selling Life Insurance." Mr. Deane is one of the best posted men in the country on inheritance taxes and corporation and trust laws. His production in the last five years has not fallen below \$5,000,000 a year. A. E. Patterson, general agent Penn Mutual, heads the official slate reported by the nominating committee. J. R. Hastie, Mutual Life of New York, was nominated for first vice-president; R. L. Davis, Union Central, second vice-president, and R. J. Wiese, general agent State Mutual, treasurer. Four directors also will be elected.

Tulsa, Okla.—At the annual meeting of the Tulsa association these officers were elected: President, Harry Emmert, Northwestern Mutual Life; vice-president, Floyd Shurtleff, Bankers Life; secretary-treasurer, R. E. Seever, Travelers. Directors, W. L. Ditzler, Penn Mutual Life; J. K. Taylor, Equitable Life, New York; Dallas Hall, New York Life; Frank Engle, Phoenix Mutual; Jack Horne, Mutual Life of New York. The membership has increased from 50 to 84 in the last year.

Indianapolis—The date of the annual meeting of the Indianapolis association has been changed from June 12 to June 19. The entertainment will be in the nature of a "circus," with clowns and stunts in keeping.

Lansing, Mich.—R. A. Stow, Mutual Benefit Life, was elected president of the Lansing association at the annual meeting, succeeding H. H. Every, Massachusetts Mutual. H. C. Brogan, Great West Life, is vice-president; W. E. J. Edwards, and S. B. Simmons, both of the Massachusetts Mutual, secretary and treasurer, respectively.

J. E. Walker, state manager Guaranty Life, spoke on "Success Requirements for the Life Underwriter." It was decided to conduct a special membership campaign in cooperation with the National association drive to reach a new point for membership.

Colorado—The annual election and frolic including a dinner and dance at Lakewood Country Club will be held by the Colorado association June 18. The nominating committee will present for president H. O. Smith, Denver, Connecticut Mutual; for local vice-president, Guy J. Gay, Sun Life; outside vice-presidents, H. C. Whipple, Pueblo, Northwestern Mutual; Roy Sears, Greeley, Equitable of N. Y.; secretary-treasurer, Glenn A. McTaggart, Denver, Prudential; chairman executive committee, C. A. Lee, Denver, Occidental Life, North Carolina.

New York City—The following were elected by the New York City association this week: President, C. D. Connell, Provident Mutual; first vice-president, W. E. Barton, Union Central; second vice-president, M. L. Lane, Home Life; third vice-president, F. J. Mulligan, Guardian

Life; secretary-treasurer, J. P. Graham, Jr., Aetna Life.

Executive Committee—Field men: E. J. Sisley, Travelers; Glenn Dorr, Equitable of New York; R. H. Mackey, New York Life; A. J. Miller, Provident Mutual; N. M. Way, Canada Life; L. M. Baker, Connecticut Mutual; H. L. Regenstein, Massachusetts Mutual; W. M. McDaniels, National of Vermont; Walter Schneck, Phoenix Mutual; Wheeler King, New England Mutual. General Agents: T. M. Riehle, Equitable of New York; Harry Gardiner, John Hancock; E. G. McWilliam, Penn Mutual; W. A. Sullivan, Metropolitan; L. A. Corf, Jr., Fidelity Mutual; C. E. DeLong, Mutual Benefit; W. E. Diefendorf, Mutual Life; J. M. Fraser, Connecticut Mutual; John A. McNulty, Prudential.

Northern New Jersey—W. A. Noltie, supervisor for the Aetna Life, made a strong plea to eliminate the part-time man in the life insurance field, in his talk on "Faith" before the Northern New Jersey association at its annual meeting in Newark. He laid the blame on the companies and their general agents and managers. He said the individual underwriter should be on the same plane as the doctor, lawyer and the C. P. A. Their standards and ethics have lifted them to be recognized by the public.

The election of officers resulted as follows: E. D. Finch, Sr., Missouri State Life, president; C. E. Hooper, Massachusetts Mutual, first vice-president; W. A. Noltie, Aetna Life, second vice-president; A. W. Olson, Massachusetts Mutual, secretary; H. C. Lawrence, Lincoln National Life, treasurer. The executive committee includes, in addition to the officers, J. M. Cyphers, Connecticut General; L. G. Rude, Mutual Benefit; D. S. Henderson, Connecticut Mutual; A. F. Gillis, Provident Mutual.

Lima, O.—C. M. Biscay, advertising manager Western & Southern Life, addressed the Lima association at its annual meeting Friday.

Pensacola, Fla.—Life underwriters of Pensacola are still endeavoring to form a local association. Activities have been doubled in the past few weeks and conditions should be in such shape as to make an organization possible within the next few weeks. R. B. Simpson, Equitable Life; E. A. Ross and G. C. Kohler of the New York Life have been quite active in the organization work.

Rutland, Vt.—R. C. Ellis, New York City, general agent of the Home Life, will speak at the sales congress June 26 at Rutland on "The Black Shadow," a talk which has been received with great interest at other similar gatherings. The following day he will speak at the Maine and New Hampshire sales congress at Laconia, N. H.

Nebraska—The Nebraska association is staging a campaign to promote the organization of more local associations, having Scottsbluff, Beatrice, Norfolk, Fremont, North Platte and Falls City particularly in view. The plan is to make these centers of regional activity, with the membership open to all agents in territory assigned to each organization. Associations at Omaha, Lincoln, York, Hastings, Grand Island and Kearney make up the present membership with a total of 350 individual members.

Lincoln, Neb.—The Lincoln association elected the following officers at the June meeting: H. L. Reed, president; F. E. Mockett, vice-president; O. R. Frey, secretary-treasurer; L. M. Palmer, C. B. Dobbs and R. H. Edmiston, directors. Mr. Reed, the new executive, was formerly secretary, and has been a leader in the organization for a number of years. At the request of the state association, the local organization passed favorably on parts of a proposed program of action for the former, which includes incorporation of the state association, coordination of work with the state association of life managers, study of the curricula of educational institutions with the view of securing more and better instruction about life insurance, and increasing dues to finance the larger activities of the state association.

Southwest Texas—The last meeting of the Southwest Texas association was held last week in San Antonio, Tex. A resolution, which called for a committee to confer with local banks with a view to securing their cooperation in the elimination of insurance writing by bank employees and officials of banks, was adopted.

W. H. Duncan, Retail Credit Company,

talked on business conditions. He said inquiries received by his office in the last 60 days have shown a gratifying increase. B. O. Page, Amicable Life, also spoke.

Spokane, Wash.—Fred Talley has been elected president of the Spokane association; F. H. Chapin, vice-president; L. H. Buscher, secretary, and N. R. Wolfe, treasurer. Executive board members are Morris Rosauer, Arthur Smith, M. C. Adamson, C. F. Bell, H. F. Collins and E. R. Edgerton.

Des Moines—Carl Weeks, president of Armand Company, cosmetics manufacturer, will speak at the June 13 meeting of the Des Moines association on "Selling Anything Today."

McKeesport, Pa.—Life insurance men of the McKeesport district held a dinner to discuss plans for organization of a local association.

G. D. Theelen served as toastmaster. Speakers were H. L. Andrews, former secretary of the Pittsburgh association, and Frank Wiginton, general agent of the State Mutual Life, who talked on "Life Insurance as an Investment."

Twenty underwriters signed up as members of the new association. The next meeting will be held in September.

San Francisco—The annual meeting of the San Francisco association will be held June 25.

Buffalo, N. Y.—The Buffalo association has elected these officers: President, E. A. Dunlap, C. S. Elliott agency; first vice-president, P. T. Allen, Northwestern Mutual; second vice-president, J. A. Whitmore, Guardian Life; treasurer, M. R. Mabey, Prudential; secretary, J. Y. Cameron.

Program Is Given for Life Meeting

(CONTINUED FROM PAGE 1)

with a personally conducted shopping tour for those interested.

Golf will be arranged for all delegates wishing to play. Arrangements are in charge of Chairman J. I. Crawford. Music, including singing at the convention, will be in charge of J. W. McKelvie, Reliance Life, Pittsburgh.

The general convention committee, under the leadership of Chairman H. J. Johnson, general agent Penn Mutual, Pittsburgh, has organized the local association to push its membership to the 1,000 mark in anticipation of the convention.

The subjects of the various speakers will be announced later.

Companies Are Faced With Variety of Serious Problems

(CONTINUED FROM PAGE 1)

companies have not considered price when it has come to the disability charge and now they find themselves loaded up with liability and the premiums received are not sufficient. Therefore a movement is started to make another increase in disability rates in due season. It may come next year.

In the recession in values and the crashing of timbers, investments of all kinds have been affected, some more, some less. Some securities that were regarded as excellent are now discovered to be not so good. Even strong concerns have been badly shaken. Real estate investments in some suburban localities and cities have proved unfortunate. Institutions whose credit and financial stability were unquestioned have been greatly weakened. Not only have the earnings from investments been greatly diminished but the principal itself in some cases has been affected and even almost entirely lost. At least with the failure to pay the interest obligations the principal has greatly depreciated.

Meet Loss in Principal

This financial hurricane has jolted the structure of companies far more than was anticipated. Supposedly stable and sound values have been badly hit. Not in many years have companies been

faced with the loss of principal in extensive amounts.

The problems have been accentuated by the tremendous demand for policy loans and the cashing in of policies. This has forced companies to sell securities or borrow. As policies became mortgaged, the lapse ratio increased. That is one of the unfortunate results of borrowing. In order to meet the demand hundreds of thousands of people have fallen back on their life insurance.

It is this combination of causes that has made the situation far more grave. It is a time that calls for superior leadership, sound common sense, conservatism, courage and vision.

Eastern Men in Mood to Reform Disability Item

(CONTINUED FROM PAGE 3)

since then but this may be partly attributed to the company's plan of using its claim organization on some of the disability cases and also to its severity in underwriting. Even such precautions cannot keep them out of the clutches of the shyster lawyer who, having learned about juries and courts since the advent of the automobile, is a hard man to cope with. Many cases have recently come to light showing where this unscrupulous person has been at work.

Actuaries Compare Branch Offices, General Agencies

(CONTINUED FROM PAGE 2)

branch offices will be more effective if the cashier is a trained life insurance man, preferably having gotten his experience in the home office, according to Mr. Graham. Unless such a man is available, it is better to make the collections from the home office, advising the agent, however, of the premium due date.

Mr. Graham commented on the problem of increasing the average size policy. He said this is a question to which the western companies have not paid enough attention. Decrease of the average size policy is an increase in the cost of doing business, he observed. He dismissed the system of penalizing agents for writing applications for less than a certain minimum amount as being irritating to the producer. Possibly a system for increasing the average size policy would involve paying a bonus on volume after the end of the second year and a continued commission on stipulated renewals.

Idea of W. H. Harrison

W. H. Harrison, Bankers Reserve Life, declared that the way to increase the average size policy is to go after persons with the capacity to buy policies for large amounts. He pointed out, however, that small policies will always be written and that there will always be room for the company soliciting business on the semi-annual, quarterly, monthly or semi-industrial basis. That class of business should pay for itself and should be charged more. It can be sold at a rate which justifies the cost of getting it and supervising it. The effect of smaller policies is greater on the home office renewal cost than on production cost, he said.

In order to stimulate persistency, he said that agency contests and prizes involving persistency rates should be conducted.

Utah Managers Elect

At the annual meeting of the Utah Life Managers Association at Salt Lake City the following officers were elected: President, W. M. Jones, Business Men's Assurance; vice-president, A. E. Buckwell, Travelers; secretary-treasurer, R. W. Anderson, Sun Life of Canada; executive committee: L. H. Stohr, New York Life; J. H. Russell, Metropolitan Life; C. R. Marcusen, Pacific National Life; A. H. Hakenson, California State Life.

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Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000

ALL PREMIUMS RETURNED

in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20% Original cost, age thirty, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter

If you reside in Ohio, Illinois, Indiana, Kentucky, Louisiana, Pennsylvania, Tennessee, West Virginia or the District of Columbia

Write for Sample and Particulars

This is one of many unique contracts issued by

Federal Union Life

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NO DEPRESSION for this man

He sells something that everybody needs—the protection afforded by United Life policies which contain ALL IN ONE CONTRACT:

LIFE INSURANCE WITH DOUBLE AND TRIPLE INDEMNITY FOR ACCIDENTAL DEATH.

NON-CANCELLABLE, NON-PRO-RATA WEEKLY ACCIDENT INDEMNITY.

WAIVER OF PREMIUMS AND MONTHLY INCOME FOR TOTAL AND PERMANENT DISABILITY.

In addition to attractive policy contracts in the form of ordinary life, limited payment life, endowments, monthly income, educational endowments, and juvenile insurance he offers

THE INCOME INDEMNITY CONTRACT—THE NEVER FAILING SUBSTITUTE FOR THE SALARY CHECK

His advice to ambitious agents is this: Get in touch immediately with

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UNITED LIFE AND ACCIDENT INSURANCE COMPANY

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CONCORD, NEW HAMPSHIRE



No Better Territory
No Better Company
No Better General Agent's Contract Than Our Service Pension Contract

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F. L. Alexander, President
W. R. Smith, Field Vice-President
LAFAYETTE, INDIANA

Des Moines Life & Annuity Co.

J. J. Shambaugh
President

Des Moines Iowa

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Wanted—100 Young Men!

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"It will revolutionize Life Insurance selling," says one Company President. Exclusively and completely developed only in the New Training Course, "The Essentials of Life Underwriting," by Abner Thorp, Jr., Published by The Diamond Life Bulletin, 428 East Fourth Street, Cincinnati, Ohio.

AGENCY MANAGEMENT

Conservation Is Regarded as the Agency Department Function

Every office is interested in conservation. Companies had considered saving business more or less of a routine matter allied with the collection of premiums. However, the recent avalanche of policy loans has convinced the agency departments of companies that it is its function to try to save the business. L. J. Doolin of the Life Insurance Sales Research Bureau has outlined a complete program for the discussion of the problem. In part he said:

"Although the management of some companies still looks upon the preservation of business as a reinstatement process, most of them have come to believe that agency departments have a dual responsibility: (1) The acquisition of new business, including the securing, training and maintenance of a sales organization, capable of obtaining a satisfactory volume of new business of a good quality, at a reasonable cost; and (2) Increasing the insurance in force, which involves the conservation of old business. Briefly, the agency department is concerned with two problems—old business and new business.

Conservation Regarded as Agency Management Function

"Conservation is an agency management function. It is true that many lapses result from economic conditions beyond the control of the home office, agency, or agent. It is possible, however, to obtain a high persistency rate even in high lapse territory or under unfavorable economic conditions. Some agencies had no lapse at all in 1930. One company operating in Texas, where lapses average 35 percent to 40 percent, has never had a lapse rate over 10 percent. The lapse rates of agents working in the same territory range from zero to 60 percent. The same holds true for agencies operating under similar conditions. Clearly, conservation is an agency management function, and many companies have reduced their lapse rates substantially by the application of management methods of a preventable nature.

"The Research Bureau concludes that teaching agents to conserve business may be accomplished by the same procedure as has been employed so successfully for many years in the new business effort, training courses, sales talks, contests, honor roll, etc. Just as training and motivation are used to produce new business, so may they be used to conserve old business.

Functions of Home Office Conservation Department

"The modern conception of the home office conservation department is that it is not so much to actually conserve business but to train others to conserve. It has a further function in seeing that proper material is prepared and placed in the hands of the agency vice-president and the agencies themselves. Most managers are salesmen rather than conservers. They need the proper material placed at their disposal for conserving. They must be taught how to use this material for conservation purposes. The department should operate as a preventorium, an institution to ward off the development of various diseases in persons who have tendencies toward these diseases. With training and motivation as our methods, we should learn the lapse facts in our company. We must know the lapse rate of every agency, and practically every agent, preferably monthly, to do effective

work. Otherwise we are as handicapped as an agency vice president without new business records. The conservation manager must get the facts first.

Principles of Conservation Are Being Presented

"One of the early objectives in a complete program of conservation must be the knowledge and understanding of those in the home office and in the field organization of the following principles of conservation:

- "1. The distinction between conservation and reinstatement.
- "2. Conservation begins during the first contact with the prospective agent.
- "3. Conservation runs through every phase of agency operation.
- "4. The functions of the agency department, agency builders, and agents are twofold: (a) Acquisition of new business; (b) building up insurance in force.
- "5. Conservation is best accomplished through the application of effective agency methods and practices.
- "6. The field organization can be trained and stimulated to conserve business just as it can to produce business.
- "7. We must strive for co-existence of volume and quality.
- "8. We must teach and encourage our organization to be business builders, not merely business getters.

Methods to Be Used in Trying to Save Business

"In motivating our organization, we will use methods designed to keep conservation before the agents through house organs, production clubs with a persistency feature, records, correspondence, conservation clubs for agents and cashiers, honor rolls, publicity for good records, motivating general agents or managers by a conservation bulletin, and otherwise getting agents interested in conservation. We will go to agencies with high lapses and do corrective work; we will induce agents to live on first year commissions, saving renewals; we will procure pictures of houses built by renewals and children educated by service commissions; stress conservation in conventions and meetings, and agency bulletins; contests will be devised on a point basis to promote quality business; we will show general agents how lapses reduce their profits.

"To make conservation work effective the Research Bureau believes that managers should be trained to recruit only agents with good contacts. Certain methods should be taught the manager to be used in describing the business and service commissions to a new man. By working with the underwriting department, poor business will be thrown out before it is issued; the not-taken ratio will be reduced and other evidences of ineffective underwriting will be eliminated. We will work out an improved method of settlements to reduce the amount of note business; financing will be contingent upon the persistency or increase of insurance in force.

Compensation Can Be Based on Conservation

"The agency organization should know that the company has a new standard for judging the efficiency of managers and agents, and that promotion as well as glorification depends upon the meeting of these requirements. Managers' compensation can be based, to a considerable degree, just as is that of the general agent, on the stability of

business, rather than on production alone. Contracts will be terminated for excessive lapses just as agents are eliminated for non-production, misappropriation of funds or embezzlement. Business produced under these contracts is unprofitable and, therefore, unsatisfactory to the company.

"Every branch of the agency department will concentrate on securing the success of the conservation program. The agency vice-president, his assistants, his supervisors, educational director, sales promotion manager, house organ editor, and agency secretary—each will have a definite conservation function and cooperate fully.

"The vice-president and supervisors and educational directors will train agency builders how to select agents, how to describe the job of selling life insurance, and how to train the new man to sell quality business. The sales promotion manager will devise sales plans to promote quality business. The agency secretary will cooperate by seeing that lapse records are used effectively, by seeing that proper attention is given to those whose lapses are excessive, and by encouraging better performance in the field. The editor of the house organ will see that publicity is credited to those meriting commendation, and through the house organ teach and stimulate the field to conserve.

"The job of the conservation manager is a big one; it is timely, difficult, and important."

Retirement Annuity Policy

New Contract Has Been Put on the Market by the Massachusetts Mutual

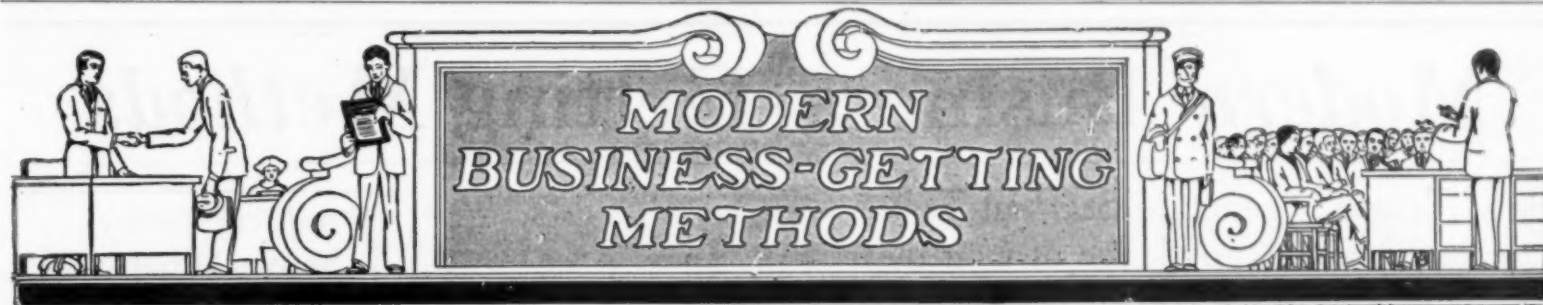
The Massachusetts Mutual has issued a new retirement annuity providing monthly life income commencing at ages 50, 55, 60 or 65, one of which must be requested in the application. If the annuitant dies before receiving 120 monthly payments those remaining unpaid will be commuted at 3½ percent and paid to the beneficiary in a lump sum or in installments under an optional method of settlement. If the annuitant dies before the due date of the first required income payment the tabular death benefit will be paid to the beneficiary. The values indicate the amount of death benefit for each annual premium unit of \$100 exclusive of disability premiums. Cash values are available after the first policy anniversary. They are slightly less than the death benefits for the first 11 policy years and identical thereafter. There are loan values after one full year's premium has been paid but there is no provision for automatic premium loans. The contract provides a monthly life retirement income with 120 payments certain commencing at one of the four ages. The retirement annuity may be exchanged at any time prior to the due date of the first retirement income payment for any form of life or endowment policy on satisfactory evidence of insurability. If a policyholder will deposit \$1,000 per year for 15 years, the Massachusetts Mutual will pay him \$1,000 per year for life and then pay \$20,360 to his heirs.

Waddell to Home Office

J. M. Waddell, Mississippi Valley superintendent of agencies for the Jefferson Standard Life, with offices at Memphis, has been transferred to the home office at Greensboro and has been made superintendent of agencies to devote most of his attention to the territory east of the Mississippi river.

Mutual Life Directors

Three new directors have been elected by the Mutual Life of New York: John K. Ottley, president First National Bank of Atlanta; C. P. Cooper, vice-president American Telephone & Telegraph Co., and S. S. Colt, vice-president Bankers Trust Company of New York.



Equitable, Iowa, Analysis Shows How Agent Can Guide His Sales To Increase His Persistency

Results of an analysis of the first year lapse rate on Equitable of Iowa business written in 1929 was presented at the annual meeting of the American Institute of Actuaries in Minneapolis by P. C. Irwin, assistant actuary of that company.

"Any study of conservation problems," Mr. Irwin declared, "brings out not only the persistency rates on various classes of business but also the average sized policy in these various classes, which in turn suggests the whole subject of expenses. Therefore, though the improvement of lapse rates and the solving of conservation problems may, in the last analysis, rest in the hands of the agency men, the actuary has an important function to perform in computing statistics and analyzing them for the use of the agency men."

Although the lapse problem is important after the first policy year, the crucial point in the history of the policy is the payment of the second premium, Mr. Irwin observed and the investigation was concerned only with first year lapse rates.

Occupation, Amount of Policy, Plan, How Paid

The investigation was divided into four classifications—occupation, amount of policy, plan of insurance and mode of premium payment. Of these, Mr. Irwin declared that occupation was the most important factor, all the other classifications depending more or less on occupation.

Occupations were divided among professional men, corporation executives, proprietors and managers; clerical, being salaried clerks and wholesale, retail and financial concerns; salesmen receiving their compensation largely from commissions; agriculture including farmers and farm laborers; industrial and factory workers, tradesmen and those performing small services not included in one of the other classifications.

The professional men class with an average policy second only to that of salesmen showed the lowest lapse rate. The clerical class was next as to persistency but the average size policy was only slightly higher than that of farmers, which was the lowest. The lapse rate among salesmen was the highest but the average size policy was also the highest. The lapse rate among farmers was only slightly higher than that among the clerical forces although the average size policy was the smallest. The industrial class was unsatisfactory in point of persistency.

Lower Lapse Rate in Higher Policy Class

Mr. Irwin quoted figures to show that the lapse rate in general varies inversely with the size of the policy, although there is little difference between the lapse rate of the \$1,000 group and the group of more than \$1,000 and less than \$5,000. The group of \$5,000 and less than \$10,000 does not show quite the improvement that might be expected, he said.

The investigation showed that there was a distinctly higher first year lapse rate in term insurance as compared with other classes but there was no difference

in first year lapse rates between ordinary life and endowment. Mr. Irwin suggested that perhaps the company should strive for larger average policies on the ordinary life group as a partial solution to the problem.

As to the relation of mode of premium payment to first year lapse rate, it was discovered that the lapse rate increases with the frequency of premium payment, with the exception of the monthly premium. The first year lapse rate on annual premium policies was about half that on the semi-annual. Then there was an increase of about 6 percent in the quarterly.

Suggests Change in the Quarterly Premium Plan

Mr. Irwin declared that the fact that the lapse rate on monthly premiums is better than that on quarterly would indicate the latter could be improved by increasing the minimum quarterly premium required.

Practical application of the analysis consists, according to Mr. Irwin, in distributing the business of each agency in the same manner that the total is distributed; that is, by occupation, amount of policy, plan of insurance and mode of premium payment.

"The percentage of business by number of policies and amount of insurance falling into each class was computed and the lapse rate on the total business of the agency was calculated. This enables us," he said, "to put our finger on the reasons for a good or a poor lapse rate in an individual agency."

Mr. Irwin illustrated by presenting an analysis of six agencies. Agency No. 1, he showed to have a lapse rate of 5.8 percent and the reason seemed to be

that there was good occupation distribution, good average size policy, \$4,062, a small percentage of term insurance and a high percentage of annual premium policies.

Average Agency Has an Average Lapse Ratio

Another agency exhibited was that in an eastern city of moderate size, with a wide territory, partly rural and partly industrial. Its lapse rate was 12.2 percent by number and 10.4 percent by amount. The occupational distribution is just about average and the amount of term insurance is also average. The size of the policies was above the average and this, Mr. Irwin believes, will help to keep the agency's lapse rate down. The distribution by mode of premium payment was about average. There was an absence of any really poor business.

Another agency in a large middle western city with a considerable outlying territory had a lapse rate of 26 percent, which was accounted for by the fact that it had less than the average amount of business from the occupational group having good or fair lapse rate. The distribution by amount is satisfactory although not up to agencies with lower lapse ratios. There was a high proportion of term business and a lower percentage of annual premium business and a higher percentage of monthly premium than in the better agencies. The experience of the other agencies bore out the observation that weakness in lapse rate may be accounted for by too high a proportion of business from certain occupational classifications, by sub-normal size policy, by too high a proportion of semi-annual, quarterly and monthly business, and by too high a proportion of term business.

Each of the agencies has been supplied with an analysis of their business on the same basis for the first three months of 1931.

Analysis of 1931 business so far shows that the agricultural group is buying just as high a percentage of the total busi-

Facts, Figures and Inspirations

A recent study made of salesmen's calls by one thousand retailers over a period of six months reveals the following facts:

48.2 percent made one call and quit.
24.4 percent made two calls and quit.
14.7 percent made three calls and quit.
12.7 percent made four calls and quit.
Yet it was discovered that 60 percent of their merchandise was bought by these dealers at the fifth call or after.

It doesn't pay to get discouraged.—Security Mutual Roster.

Thrifty people are life insuring people. They enjoy the present, and do not fear the future.—Penn Mutual.

Although the average span of life has increased, this is due largely to the saving of young lives by modern medicine. Expectation of life after 50 still fails to show any appreciable gain.—New York Life.

It is never necessary to worry about your station in life—someone is bound to tell you where to get off.

Whoever admits that he is too busy to improve his methods, has acknowledged himself to be at the end of his rope. And that is always the saddest predicament which anyone can get into.—J. Ogden Armour.

The man who has done his best is a success whether others think it or not.

Remedy for Life Underwriters

A Cure for Depression

Leave Home
Call On
Work
Earn
Sleep

8

A.M.
Prospects
Hours
Dollars
Hours

Sigma daily as directed until cured

Suggested by "DR." REG. F. IRWIN, St. Louis

ness written in 1931 as in 1929, with a larger average policy. The industrial group is buying a larger percentage with a larger average policy. The professional shows a decreased percentage with about the same average policy.

"Do these figures mean," Mr. Irwin asked, "that it is easier to sell the industrial classes at present than the professional group, or do they mean that our agents have been soliciting the wrong class of prospects and that we would have written more business by concentrating on the professional and managerial groups? I am inclined to think the latter is true."

There is a decrease in the \$1,000 group in 1931 as compared with 1929 and an increase in the \$10,000 and \$25,000. There was not the increase in term insurance which was expected. Mr. Irwin asserted that companies should not attempt to increase volume by pushing term insurance.

Mr. Irwin's conclusions were that the agent holds the solution to the conservation problem when he originally writes the business. Therefore, conservation work should be concentrated in the field and not in the home office. The soliciting agent, he said, should be made conservation-minded and he will find that his conservation mindedness will aid him in his production and increase income. "Careful prospecting, intelligent selling—those are the answers to the conservation problem," he said.

Modern Business - Getting Methods

How Eliason Agency in St. Paul Tests New Man's Knowledge of Contract of Insurance and of Rules of Selling

The Eliason agency of the Minnesota Mutual in St. Paul has prepared a set of questions on selling procedure and technical features of the contract, which is submitted to new agents. Several questions applying exclusively to the Minnesota Mutual are omitted from the list given herewith.

Those examined are requested to mark "true" or "false" after each of these statements:

In the main part of the interview, the salesman should talk about the technical details of the policy.

General terms such as "life insurance protection" and "a \$10,000 policy" should be avoided in an interview.

The main part of the selling talk should be spent in emphasizing the needs of the prospect which can be filled by life insurance.

It is never possible for the life underwriter to recognize a need for a certain type of insurance in the same way that the physician is able to recognize a need for a certain kind of medical treatment.

Business Reputation of Applicant and Habits

An applicant's business reputation and habits are factors of importance in determining his eligibility for protection.

It is usually more difficult to sell to the man who has life insurance than to the person who has none.

The endless chain method of getting prospects is limited to people particularly interested in you.

The work of the salesman from its very nature cannot be planned on a regular systematic basis.

Term policies may be written with the double indemnity provision.

A policyholder who was ill from typhoid fever would receive a disability income.

The interest rate on policy loans is 6 percent per annum.

A loan on a policy does not affect the amount payable to the beneficiary in case of the insured's death.

The disability and double indemnity provisions are not in force while the policy is running as extended insurance.

The insured is allowed to change his beneficiary as frequently as he wishes.

The insured may assign his policy to whomever he chooses.

Insurance money can be taken by creditors to settle claims against the estate of the insured even though a specific beneficiary has been made.

Questions on Double Indemnity Provision

The double indemnity provision does not apply in case the insured commits suicide.

Double indemnity for accidental death will be paid only if death occurs within sixty days of the date of injury.

The grace period for payment of premiums is 30 days.

The loss of one hand and one foot is regarded as total permanent disability.

Death of the insured during the grace period does not release the company from payment of death claim.

The full amount of the annual premium is regarded as due at the beginning of the policy years.

It is necessary to give evidence of good health and to pay all overdue premiums to restore a lapsed policy.

Mis-statement of age voids the policy.

Term policies have no loan value or provision for extended insurance.

The term policy is the only one under which the insured can increase the amount of the insurance without a full medical examination.

The salesman should always try to avoid making a sales talk in the presence of a third party.

The best salesman depends mainly on logical reasoning to convince the prospect that he should have life insurance.

Objections are sometimes aids rather than hindrances to the sale.

The only real reason for the prospect's not buying life insurance so far as the salesman is concerned is inability to pass the physical examination.

The salesman should not argue with a prospect even though the prospect should make unreasonable insinuations or statements.

It is often best to pass up an objection rather than to attempt to answer it.

If the salesman proves that the prospect's objection is absurd, he has always scored distinct point in making the sale.

As soon as the prospect asks any question about the cost the salesman should usually attempt to close the sale immediately.

If the prospect says he will take a smaller amount of insurance than the salesman thinks he should have, the salesman should continue the canvass to show his need for the larger amount.

If the prospect says, "I am afraid I cannot pay for it now," the remark indicated that the possibility of a sale is very good.

A good way of leading to the close is

to get the prospect to decide on a minor point.

If you get the prospect to do some writing or figuring it is a help in getting him to sign the application.

After getting the signature to the application, the salesman should emphasize again the great value of the policy in filling the prospect's needs.

If you are unable to get the prospect to sign the application, you should ordinarily make your "get-away" without delay.

A separate form must always be filled out if the applicant is a woman.

It is usually better to designate a beneficiary than to make a policy payable to the applicant's estate.

Anyone having an insurable interest in the life of the applicant may be designated as beneficiary.

After a policy lapses for non-payment of premium, insurance protection ceases until reinstatement is made.

Life insurance rates for women applicants are higher than for men.

Policies on the lives of women may never be written with the disability feature the same as on the lives of men.

Men engaged in certain occupations may not secure life insurance even with the payment of extra premiums for the extra hazard.

The reserve of a life insurance company is the sum of money which increased by future premium payments and interest will be sufficient to pay all policy claims as they mature.

Policies of most companies are incontestable after one year from date of issue.

If right to change the beneficiary has not been reserved by the insured, he cannot assign the policy without consent of the beneficiary.

More insurance is terminated for non-payment of premium than for any other cause.

Insurance on impaired risks is generally written on the term plan.

Burnet Says Retail Price Slump Should Help in Life Insurance

Three vitally important conclusions, according to President Philip Burnet of the Continental American of Delaware, are to be drawn by wide awake life insurance men from the many manifestations of drastic cuts in retail prices which have occurred in the last few months. Mr. Burnet sums them thus: "1. That salaried people and others with fixed incomes are better prospects than for years for, as Hugh Bancroft, publisher of 'Barron's' and the 'Wall Street Journal,' truly says, their cost of living has been cut fully 20 percent in the last two years. They have that extra 20 percent to put into life insurance—and a lot of them are doing so, as indicated by our May applications which, thanks to Theodore M. Riehle's resounding 'Call to Arms,' were nearly 30 percent ahead of last May and far ahead of any previous month this year.

"2. The second thing is that retail prices are not only down, but are going lower, so that people with fixed incomes are not only better prospects than for years, but are getting better all the time.

"3. Finally, when the price adjustment has been completed—probably months hence—general business will begin to pick up, and the pick up in general business will create another big class of splendid prospects—prosperous business men, many of whom are now so hard hit that they have had to cash in on all or a part of their life insurance

—insurance which you can then replace, to say nothing of the great flood of new prospects that will be created by renewed business prosperity.

"Thus, the deeper the depression grows, the greater your opportunity with one excellent class of prospects—those with fixed incomes.

"And the more rapidly the depression passes—as it surely will—the greater your opportunity with another class—the business men whose incomes rise and fall with the rise and fall of general prosperity.

"Now isn't that a great business, especially in times like these?

"Hugh Bancroft says that the continuation of the depression is due largely to the fact that retail prices have not yet fallen anything like as much as the prices of the major commodities. He then goes on to say that 'this depression is going to last until the prices that the final consumer has to pay are brought into reasonable relationship with the prices that producers are receiving.'

Mr. Burnet commented that Vice-President C. L. Benner of the company considers that Mr. Bancroft is right. "And Dr. Benner knows," Mr. Burnet goes on. "He is not only a professional economist of note, but, unlike many of his brethren, has hit it exactly, almost to the day, in predicting every shift of the economic trend ever since the summer before the crash.

"Dr. Benner insists with Mr. Ban-

Producer Earley Shows What Nine Hour Day Can Do

E. H. Earley of Brooklyn has prepared an interesting analysis of his 1930 business. Mr. Earley showed an increase in the number of lives written and total volume of business in 1930 over 1929 and he attributes this increase largely to more strenuous advertising. This year he has increased his advertising appropriations and will send out more mailing matter.

Mr. Earley explains that the seemingly low ratio of interviews to calls is accounted for by the fact that he defines an interview as the discussion of a concrete plan that fits into the situation of a client and which seems to be given some weight by the client.

"One can make calls only and reduce oneself to a caller," Mr. Earley says, "or one can pass months of time in developing a carefully planned approach and the steps necessary to make the sale. It is my belief that more time is wasted in the latter method of preparation than the former. It would seem to me that a sound method of solicitation would be found half way between."

Mr. Earley's analysis of his 1930 business follows:

Total calls made, 3,227.
Total interviews only, 475.
Percent interviewed on total calls, 14.8.
Total days work, 285.
Total hours work, 2,564.80.
Total hours work per day, 8.99.
Total calls per day, 9.65.
Total interviews per day, 1.66.
Total soliciting hours, 968.40.
Total soliciting hours per day, 3.39.
Percent soliciting hours to daily total, 26.25.
Total office hours, 1,596.40.
Total office hours per day, 5.60.
Percent office hours to daily totals, 73.75.
Insurance sold, 128 lives, \$1,804,500.
Insurance sold per hour work, \$704.20.
Insurance sold per day's work, \$6,331.
Insurance sold per soliciting hour, \$1,867.
Percent office labor to gross earned income, 7.1.
Percent advertising expense to gross earned income, 7.8.
Percent total all expense to gross earned income, 26.4.

Group Protection for Banks

Bank employees as a class are better protected by group insurance than other workers, according to a survey made by the "American Bankers Association Journal." The average life coverage per bank employee exceeds \$2,000, compared with a general average of \$1,200 for all workers benefiting from some form of group insurance, he says.

"If we take into consideration the value of individual policies held by salaried workers and wage earners on their own account, we find that the average protection for wives and families in this class is approximately \$500," writes W. R. Kuhns. "This means that bank workers protected under some form of group insurance are more than four times as well off as their fellow workers in other fields."

In the United States, out of a total of slightly more than \$10,000,000,000 of group insurance in force, \$550,000,000 represents protection for bank workers and their families.

croft, that our main trouble now is the maladjustment of the price level, the fact that retail prices are not yet down far enough. But that is being corrected rapidly. Mr. Bancroft himself points out that 'the true cost of living has already fallen 20 percent in two years.'



DEVOTED to the ideals of family security
and independence. " " " " " " "

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practices that protect the interests of
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YOU
INTERESTED
?

SEEMS TO ME
THERE ARE
SOME GOOD
LIFE INSURANCE
PROSPECTS UP
HERE

AW FORGET IT!
WE'RE ON OUR
VACATION NOW



MAKING A VACATION PAY—CHAPTER II

WRITE FOR GENERAL AGENCY PROPOSITION
AND TERRITORY

 **RESERVE LOAN LIFE**
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